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15 April 1998

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Fifty-second session
Agenda item 61
QUESTION OF CYPRUS

SECURITY COUNCIL
Fifty-third year

Letter dated 14 April 1998 from the Permanent Representative of Turkey to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith a letter dated 14 April 1998, addressed to you by His Excellency Mr. Aytuğ Plûmer, Representative of the Turkish Republic of Northern Cyprus (see annex).

I should be grateful if the text of the present letter and its annex could be circulated as a document of the General Assembly, under agenda item 61, and of the Security Council.

(Signed) Hüseyin E. ÇELEM
Ambassador
Permanent Representative

98-10446 (E) 160498 170498

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ANNEX

Letter dated 14 April 1998 from Mr. Aytuğ Plümer addressed to the Secretary-General

Upon instructions from my Government, I have the honour to refer to the letter dated 26 March 1998 addressed to you by the Greek Cypriot representative at the United Nations, which contains allegations regarding "violations of the airspace of the Republic" (A/52/841-S/1998/270).

I would like to recall that similar charges on so-called "airspace violations" were rejected in toto in our previous communications addressed to you, most recently in my letter dated 27 February 1998 (A/52/809-S/1998/174). Suffice it to say that flights within the sovereign airspace of the Turkish Republic of Northern Cyprus take place with the full knowledge and consent of the appropriate authorities of the State over which the usurper Greek Cypriot regime in the South has no jurisdiction or right of say whatsoever.

The Greek Cypriot side continues to uphold the myth that it has sovereignty and jurisdiction over the whole island under the title of the "Government of the Republic of Cyprus", when in fact the bi-national partnership Republic established under the 1960 Agreements was converted into a purely Greek Cypriot republic by force of arms in December 1963. The Turkish Cypriot people have never bowed to the illegal writ of the Greek Cypriot side and have defended their sovereign rights emanating from the 1960 Agreements on Cyprus.

The time has come for all those concerned in the peaceful settlement of the Cyprus dispute to recognize the fact that the Greek Cypriot administration does not have the legal and moral right to claim to be the legal Government of the island as a whole. This pretence is the underlying reason for the lack of a settlement. It is thus necessary to adopt a new approach to the Cyprus question that will reflect the equal status of the two peoples and acknowledge the existence of two fully functioning democratic States in the island. Our starting point has to be sovereign equality based on mutual respect and a symmetry in relations between the two sides.

I should be grateful if the text of the present letter could be circulated as a document of the General Assembly, under agenda item 61, and of the Security Council.

(Signed) Aytuğ PLÜMER
Representative
Turkish Republic of Northern Cyprus

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15 April 1998

ORIGINAL: ENGLISH

LETTER DATED 14 APRIL 1998 FROM THE PERMANENT REPRESENTATIVE OF GEORGIA TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

Yet another horrible act of ethnic-related massacre of Georgian civilians in the Gali region vividly illustrates the wrath and ferocity with which the Abkhaz separatists treat a handful of Georgian returnees in the so-called security zones of Abkhazia, Georgia.

On 2 April 1998, a well-armed group of 50 to 60 Abkhazians easily passed a checkpoint of Commonwealth of Independent States (CIS) peacekeepers and made an unspeakable inroad into the village of Gudava, ransacking the houses of innocent civilians and remorselessly killing three Georgian teenagers. The assailants left the theatre of carnage just as unhampered as they had moved in and returned to Ochamchira, taking the bodies of the killed and about 20 hostages.

Evidently, the fledgling peace and some positive steps in the peace process, achieved as a result of strong international efforts, are not conducive to the plans of reactionary forces, who would go to any extent to retain the atmosphere of chaos and impunity in the region.

The Government of Georgia ascribes great significance to the Geneva process under the auspices of the United Nations, believes that this process is the key to the settlement of the conflict and is deeply concerned at any action directed against it, no matter where it may come from.

We express belief that the Security Council, you personally, and the international community as a whole, will duly evaluate this crime and will make every effort to prevent the escalation of tension, fraught with the emergence of more serious obstacles to the return of refugees and displaced persons, and even the failure of the peace process itself.

May I ask your kind assistance in having the present letter circulated as a document of the Security Council.

(Signed) Peter CHKHEIDZE
Ambassador
Permanent Representative

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15 April 1998

ORIGINAL: ENGLISH

LETTER DATED 15 APRIL 1998 FROM THE SECRETARY-GENERAL ADDRESSED TO THE SECURITY COUNCIL

Pursuant to paragraphs 12 and 13 of Security Council resolution 1153 (1998) of 20 February 1998, I have the honour to submit to the Security Council the executive summary of the report of the group of experts established pursuant to paragraph 12 of the resolution to determine, in consultation with the Government of Iraq, whether Iraq is able to export petroleum or petroleum products sufficient to produce the total sum referred to in paragraph 2 of the resolution, not exceeding a total of US$ 5.256 billion (see annex). The group of experts visited Iraq from 12 to 22 March 1998 and were accompanied by two United Nations oil overseers. The full report of the group of experts is being made available to the members of the Council.

After the adoption of Security Council resolution 1153 (1998), I was informed by the Government of Iraq that it had no objection to increasing revenues from the sale of its petroleum. The Government emphasized, however, that in view of the present technically precarious condition of the structure for the production, processing and transportation of its petroleum, and in view of the extremely low level of petroleum prices at present, it was not at all possible to guarantee that Iraq had the capacity to achieve the increase in production required to realize the maximum sum indicated in the resolution.

According to the Government, assuming that the requirements for spare parts and repairs are met urgently, the new sum will not exceed $4 billion, and it is highly probable that it will be between $3.5 billion and $4 billion. It may be recalled that the price per barrel was $18 when the Memorandum of Understanding was first implemented, compared with the present price of $10.50 per barrel for Iraqi crude oil.

In paragraph 13 of its resolution 1153 (1998), the Security Council requested the Secretary-General to report to it if Iraq was unable to export petroleum or petroleum products sufficient to produce the total sum ($5.256 billion) and, following consultations with the relevant United Nations agencies and the Iraqi authorities, to make recommendations for the expenditure of the sum expected to be available, consistent with the distribution plan referred to in paragraph 5 of the resolution.

The group of experts is less optimistic than the Government of Iraq is regarding the Government's capacity to meet the $4 billion target during the period envisaged. Its overall impression is that the oil industry of Iraq is in a lamentable state and that the developed oilfields have had their productivity seriously reduced, some irreparably, during the past two decades. In its view, the oil processing and treatment facilities, refineries and storage terminals in the country have been severely damaged and continue to deteriorate, and that this deterioration, particularly in the oilfields, will accelerate until significant action is taken to contain and relieve the problems. The group of experts has strong doubts that the production profile of 3 million barrels per day, as projected by the Government, will be sustainable for the period envisaged. It has also stated that a sharp increase in production without concurrent expenditure on spare parts and equipment would severely damage oil-containing rocks and pipeline systems, and would be against accepted principles of "good oilfield husbandry".

According to the group of experts, should the current average price of $10.50 per barrel for Iraqi crude oil remain unchanged, based on the existing export capacity of 1.6 million barrels per day, revenues in the amount of only $3 billion could be achieved during a 180-day period, starting in June 1998, provided the spare parts required are ordered immediately. During a 180-day period starting in December 1998, Iraq could export 1.7 million barrels a day, generating $3.9 billion based on a price of $12.50 per barrel.

The two United Nations oil overseers who accompanied the group of experts have also indicated that the Iraqi oil industry is in desperate need of spare parts in order to comply with the provisions of Security Council resolution 1153 (1998). They share the view of the group of experts that the request by the Ministry of Oil for $300 million for spare parts - $210 million for upstream operations and $90 million for downstream operations - is reasonable and that it reflects only the most essential and urgent needs of the Iraqi oil industry. The list of the spare parts needed is provided in annex IV to the report of the group of experts. The United Nations oil overseers have indicated that the current condition of the "downstream" storage and transportation sectors of the Iraqi oil industry seriously affects the ability to produce petroleum and petroleum products for export under the provisions of the programme. The group of experts is presently carrying out a comprehensive review of the list of spare parts provided by the Government with a view to fully verifying the price, delivery time and relevance of all the items concerned. Owing to time constraints, the review could not be completed before the present letter was finalized, although it is expected to be completed very soon. Once the review has been completed, copies of the list with comments thereon by the experts will be made available to the Security Council Committee established by Council resolution 661 (1990) of 6 August 1990.

The group of experts visited suitable warehouses in both the northern and southern parts of Iraq, and has provided in the main report details of the methodology of monitoring the arrival, storage and utilization of the spare parts. The two United Nations oil overseers share the view of the group of experts in that regard.

In view of the determination made that under the existing circumstances Iraq is unable to export petroleum or petroleum products sufficient to produce the total sum of $5.256 billion referred to in resolution 1153 (1998), it is recommended that the Security Council decide that the authorization given to States by paragraph 1 of its resolution 986 (1995) of 14 April 1995 shall permit the import of petroleum and petroleum products originating in Iraq, including financial and other essential transactions directly relating thereto, sufficient to produce a sum, in the next 180-day period, of up to $4 billion, on the understanding that as and when the increased funds become available, they will be utilized on a priority basis as reflected in the approved distribution plan prepared pursuant to paragraph 5 of resolution 1153 (1998). As the revenues generated will depend not only on increased exports of oil but also on the market price of oil exported, the Council may in addition wish to decide to review further the level of the sum authorized during its interim review of the report of the Secretary-General to be submitted pursuant to paragraph 10 of resolution 1153 (1998), also taking into account the progress made in the ordering and arrival of spare parts and repairs.

With respect to spare parts, it may be recalled that in paragraph 12 of its resolution 1153 (1998), the Security Council expressed its readiness to take a decision, on the basis of the recommendations of the Secretary-General, regarding authorization of the export of the necessary equipment to enable Iraq to increase the export of petroleum or petroleum products and to give the appropriate direction to the Committee established by resolution 661 (1990). I wish to recommend to the Council that it authorize the export to Iraq of the equipment necessary to enable Iraq to increase most urgently the export of petroleum or petroleum products. As indicated above, the total cost of the spare parts and equipment needed is estimated at $300 million ($210 million for upstream requirements and $90 million for downstream requirements). For covering the cost of the spare parts and equipment, the Council may wish to apply the procedures outlined in paragraph 10 of resolution 986 (1995).

In order to expedite the approval process for the spare parts and equipment, it is recommended to the Security Council that it consider the possibility of authorizing the United Nations oil overseers to approve contracts for spare parts, once the list is reviewed and finalized by the Security Council Committee, pursuant to the same procedures currently applied for oil contracts, on the understanding that the required expertise and technical support will be made available to the oil overseers, as appropriate. An effective monitoring of spare parts, from approval to delivery in Iraq, storage and utilization, will be ensured. Should this recommendation be acceptable to the Council, I will submit to the Security Council Committee, after the comprehensive review of the list of spare parts referred to above, details for the monitoring of spare parts inside Iraq.

At my invitation, a delegation from Iraq led by the Minister of Foreign Affairs, His Excellency Mr. Mohammed Said Al-Sahaf, visited New York from 9 to 13 March 1998 to review with the Secretariat the implementation of resolution 1153 (1998) and the preparation of the distribution plan. At present, consultations are under way between the United Nations and the technical ministries in Iraq regarding the preparation of the draft distribution plan. After the Security Council's decision on the level of the sum to be available in

the next phase for the humanitarian programme, the Government of Iraq will submit the draft distribution plan for my consideration and approval.

I should like to take this opportunity to thank the members of the group of experts, the United Nations oil overseers and Saybolt Nederland B.V. for their valuable contribution as well as to the Government of Iraq for its full cooperation with the group of experts.

(Signed) Kofi A. ANNAN

Annex

Report of the group of experts established pursuant to paragraph 12 of Security Council resolution 1153 (1998)

EXECUTIVE SUMMARY

1.1 Terms of reference

1. Paragraphs 12 and 13 of Security Council resolution 1153 (1998) of 20 February 1998 read as follows:

> "12. Requests the Secretary-General to establish a group of experts to determine in consultation with the Government of Iraq whether Iraq is able to export petroleum or petroleum products sufficient to produce the total sum referred to in paragraph 2 above and to prepare an independent report on Iraqi production and transportation capacity and necessary monitoring, also requests him in the light of that report to make early and appropriate recommendations and expresses its readiness to take a decision, on the basis of these recommendations and the humanitarian objectives of this resolution, notwithstanding paragraph 3 of resolution 661 (1990), regarding authorization of the export of the necessary equipment to enable Iraq to increase the export of petroleum or petroleum products and to give the appropriate directions to the Committee established by resolution 661 (1990);"

> "13. Requests the Secretary-General to report to the Council, if Iraq is unable to export petroleum or petroleum products sufficient to produce the total sum referred to in paragraph 2 above, and following consultations with relevant United Nations agencies and the Iraqi authorities, making recommendations for the expenditure of the sum expected to be available, consistent with the distribution plan referred to in paragraph 5 above;"

1.2 Introduction

2. At the request of the Secretary-General, a group of experts visited Iraq to ascertain the current export capacity of crude oil and petroleum products, and also to review and assess the potential for increased exports of crude oil and petroleum products.

3. The group consisted of six experts, each with a specific oil industry background. Two of the United Nations oil overseers accompanied the group. The group visited Iraq from 12 to 22 March 1998, to observe the condition of the production and transportation facilities necessary for the export of petroleum and petroleum products.

4. The scope and purpose of the site visits were:

- To establish current crude production capacity;
- To establish the condition of the oilfields and relevant production capabilities;
- To establish the condition of crude oil processing and treatment facilities;
- To establish the status of the storage terminals and transportation infrastructure;
- To identify the necessity, cost and implementation time-frame for required spare parts and repairs;
- To inspect local refineries.

All elements have been examined and the results are given in detail in the report.

1.3 Methodology

5. In order to satisfy the terms of reference, the group of experts needed to maximize the collection and verification of data within the time-frame allocated. This was achieved, after initial meetings with the Ministry of Oil in Baghdad, by visits to the North Oil Company, based in Kirkuk, the South Oil Company, based in Basrah, and numerous site inspections in both areas - including a cross-section of production facilities, processing plants, tank farms, pumping stations, metering sites and refineries. The group of experts separated into two teams at various locations in order to facilitate greater coverage.

6. Owing to the lack of measurement equipment operating at all stages of production and transportation (except at the export installations of Ceyhan and Mina Al-Bakr) estimates were made based on:

- Physical inspection coupled with on-site discussion with experienced operators;
- Information supplied at various meetings and briefing sessions with the Oil Ministry, North and South Oil Companies, and refinery/plant visits;
- Analysis of historical data;
- On-site application of the group's accumulated experience and subsequent discussion.

At all stages the group noted the physical condition of plant as seen, and obtained photographic and video records.

1.4 General observations

7. The group of experts' overall general impression is that the oil industry of Iraq is in a lamentable state. The developed oilfields have had their productivity seriously reduced, some irreparably, during the past two decades. The oil processing and treatment facilities, refineries and storage terminals in the country have been severely damaged and continue to deteriorate. This deterioration, particularly in the oilfields, will accelerate until significant action is taken to contain and relieve the problems.

8. Although measurement devices are non-existent at Iraq's oil producing fields, the team has identified oilfield production and treatment as one major constraint with respect to increased production. Because of the age and precarious physical condition of the main fields there is strong doubt among the experts that the production profile of 3 million barrels per day (bpd), as the Government of Iraq is endeavouring to achieve, will be sustainable for the period under review. A sharp increase in production without concurrent expenditure on spare parts and equipment would severely damage oil-containing rocks and pipeline systems, and would be against accepted principles of "good oilfield husbandry".

9. A second major constraint is that the transportation system and intermediary storage within Iraq are significantly compromised and need repairs at critical points. Significant issues are the degradation of the 40-inch pipeline, major losses in pumping capability and reduced intermediary storage capacity in the north, with identical problems in the south.

10. A third constraint is the need for proper coordination of loading schedules at the offshore terminal at Mina Al-Bakr, supported by efficient and reliable tugboats and mooring boats.

11. Provided that the pipeline infrastructure and intermediary storage to the loading facilities in Ceyhan and Mina Al-Bakr are brought up to standard, there may be no need to utilize other existing pipelines for increasing export volumes.

1.5 The current overall capacity as advised by the Ministry of Oil

12. According to the Ministry of Oil, the following is the present capacity in barrels per day before repairs and improvements are undertaken:

Production	2 330 000 bpd
Local consumption	700 000 bpd
Available for export	1 630 000 bpd

1.6 Historical data of oil exports under the oil-for-food programme

13. All exports under the oil-for-food programme have been monitored by Saybolt, and the table below shows the rates of exports per day under the current mechanism:

Phase I average export	664 000 bpd
Phase II average export	1 124 000 bpd
Phase III	
- February 1998 average export	1 121 000 bpd
- March 1998 average export	1 223 000 bpd

1.7 Proposals to increase production

14. At the first meeting between the group of experts and officials of the Ministry of Oil, it was stated by the officials that the targets proposed and already submitted to the United Nations were:

Time-frame	Production
Current production	2 300 000 bpd
Achievable within two to three months	2 650 000 bpd
Achievable within six months	3 000 000 bpd
Achievable within 18 months	3 500 000 bpd

The expenditure required to reach these targets would be:

US$ 340 million to reach 3 million bpd production within six months

$400 million to sustain 3 million bpd production over a 12 month period

$300 million extra to reach 3.5 million bpd production within 18 months

15. Nevertheless, the Ministry of Oil was also cognizant of the high level of proposed expenditure, and its effect on the availability of funds for humanitarian aid, and had produced a revised spare parts estimate, indicating the lowest possible figure to achieve 3 million bpd production within six months. The revised figure was $210 million.

16. In addition, the Ministry produced spare parts documentation requesting a further expenditure of $90 million related to "downstream" operations. The downstream operation comprises the operation from refinery to consumer. The requirements vary for spare parts and repairs for petrol stations, liquified petroleum gas filling units, etc. While not strictly relevant to the group of experts' objectives in relation to the increase of oil exports, these requirements have been noted, and the request is considered to be reasonable.

17. The increase in production from 2.3 million bpd to 3 million bpd over six months is planned for both the north and south, as follows:

	Current	Three months	Six months
North	1 000 000 bpd	1 055 000 bpd	1 162 000 bpd
South	1 300 000 bpd	1 600 000 bpd	1 800 000 bpd
Total	2 300 000 bpd	2 650 000 bpd	2 962 000 bpd

18. The accurate verification of production figures is not currently possible, as the oil industry in Iraq has no functioning internal monitoring system in operation. Wellhead production is not measured, movement between terminals is only estimated or is based on non-calibrated meters and/or storage tanks, and the whole operation is close to collapse.

1.8 Export of petroleum products and local consumption

19. The Government of Iraq indicated to the group of experts that the export of petroleum products would not be considered, mainly in view of the poor quality of the products and the lack of refining capacity. It is considering, however, the initial export of some 30,000 to 50,000 bpd of straight-run fuel oil (atmospheric residue) by direct injection into the Kirkuk-Yumurtalik pipeline in Iraq, before the metering station at Zakho, thus mixing it with Kirkuk crude exports. If marketable, this may be increased to 100,000 bpd.

20. Observation of the working refineries in Iraq has shown that the condition of the refineries in general is indeed poor. Significant pollution and environmental damage has also been noted. The current refining capacity and consumption is about 700,000 bpd, consisting of 620,000 bpd of local refining capacity and 80,000 bpd exported to Jordan. Local consumption is deducted from overall production to derive the potential export volume/value.

1.9 Group of experts' estimate of local consumption

21. The estimate of quantity available for export automatically requires an estimate of local consumption. The group of experts has estimated local consumption to be 630,000 bpd. This has been calculated by reference to production throughputs provided by refinery staff and plant operators interviewed during site visits. The estimate is summarized in the relevant appendix to the report.

1.10 Group of experts' opinion on spare parts and repairs

22. In view of the deplorable state of the oil industry, the group discussed with the relevant authorities of the Government of Iraq the priorities for essential action. As indicated, the group had received a list of spare parts based on a minimum spare parts requirement of $210 million. An initial investigation into the key items affecting short-term production increase and transportation suggested delivery times of two to six months and prices marginally higher than estimated. A fully comprehensive review of the lists, in respect of prices, relevance and delivery time, is expected to be completed soon.

23. With regard to the monitoring of incoming spare parts and repairs, the group visited suitable warehouses in both the northern and southern parts of Iraq. The methodology of monitoring the arrival, storage and utilization of the spare parts is described in more detail in the report.

1.11 Conclusions

24. Without rapid and adequate investment in spare parts and repair of the production wells, plus the development of a number of smaller fields, the gap between the existing decline curve and the projected increment in crude oil production will grow wider for each month that financing is delayed.

25. The oil industry of Iraq has the expertise and technical knowledge to increase production gradually over the next 18 months.

26. The incremental increase in the "production versus time" scenario proposed by the Ministry of Oil is a reasonable one, representing a viable optimization of the large number of petroleum-engineering variables in the equation. The Iraqi-proposed profile, however, is deemed optimistic with regard to the gross volumes predicted, as well as unrealistic in terms of timing (see table below).

Profile	Current production	After three months	After six months
Ministry of Oil	2 300 000 bpd	2 650 000 bpd	2 962 000 bpd
Group of experts	2 160 000 bpd	2 130 000 bpd	2 360 000 bpd

27. Current production as indicated above by the group of experts is 2,160,000 bpd. This results in a daily export capacity of 1,530,000 bpd, taking into consideration that, according to the group's estimate, 630,000 bpd is used for local consumption.

28. As described above, Iraq is presently exporting approximately 1,200,000 bpd. With a current capacity of 1,530,000 bpd, an immediate increase of 300,000 bpd is realistic and, once spare parts arrive and repairs begin, a gradual increase will be noticeable after four to six months.

29. The forecast in production versus time is based on the utilization of spare parts estimated at $210 million.

30. However, to ensure gradually increasing and sustainable crude oil production and the improvement of the oil industry of Iraq in general, with due regard to environmental and pollution issues, the group of experts estimates that the total expenditure required will be approximately $1.2 billion to reach production levels of 3 million bpd.

31. Based on the above, it is difficult to predict accurately the proceeds of the export figures as stated in the table, since they will be heavily influenced by the world oil market. It seems very unlikely, however, that proceeds of $5.256 billion during the 180-day period will be reached, since this would require an average oil price over the period of $16.90 per barrel of exported Iraqi oil.

32. On the basis of the group of experts' estimate of total production less local consumption (after arrival of spare parts), sales during a period of 180

days, based on prices of $12.50 and $14.50 per barrel of exported Iraqi oil, are envisaged as follows:

	$12.50 per barrel	$14.50 per barrel
Sales after six months	$3.9 billion	$4.5 billion
Sales after nine months	$5.0 billion	$5.8 billion

33. The group of experts' assessment, taking into account the numerous technical variables involved and given the availability of the necessary spare parts and repairs indicated and amounting to an estimated $210 million, is that the Government of Iraq's volume targets are optimistic, and that the time-frame for reaching its predicted figures, and therefore export targets, will slip. However, these production/time variations have significantly less effect on the dollar value of exports than the current price differentials in crude oil.

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The Security Council,

Recalling all its previous resolutions on the question of the Western Sahara,

Reaffirming its full support for the Secretary General, his Personal Envoy, his Special Representative and the United Nations Mission for the Referendum in Western Sahara (MINURSO) in the implementation of the Settlement Plan and the agreements reached by the two parties for its implementation, and recalling that under these agreements the responsibility for implementing the identification process lies with the Identification Commission,

Reiterating its commitment to assist the parties to achieve a just and lasting solution to the question of the Western Sahara,

Reiterating also its commitment to the holding without further delay of a free, fair and impartial referendum for the self-determination of the people of the Western Sahara in accordance with the Settlement Plan, which has been accepted by the two parties,

Welcoming the report of the Secretary-General of 13 April 1998 (S/1998/316) and supporting the observations and recommendations contained therein,

1. Decides to extend the mandate of MINURSO until 20 July 1998, in order that MINURSO may proceed with its identification tasks, with the aim of completing the process;

2. Calls upon the parties to cooperate constructively with the United Nations, the Special Representative of the Secretary-General and the Identification Commission established pursuant to the Settlement Plan in order to complete the identification of voters phase of the Settlement Plan and the agreements reached for its implementation;

3. Notes the continuing deployment of the engineering units required for demining activities and of the administrative staff required to support the deployment of military personnel as proposed in annex II of the report of the

Secretary-General of 13 November 1997 (S/1997/882), as further described in the recommendations of the report of the Secretary-General of 13 April 1998;

4. Expresses again its intention to consider positively the request for the remaining additional military and police assets for MINURSO as proposed in annex II of the report of the Secretary-General of 13 November 1997, as soon as the Secretary-General reports that the identification process has reached a stage which makes the deployment of these assets essential;

5. Calls on the Governments of Morocco, Algeria, and Mauritania to conclude respective status-of-forces agreements with the Secretary-General, and recalls that pending the conclusion of such agreements, the model status-of-forces agreement dated 9 October 1990 (A/45/594), as provided for in General Assembly resolution 52/12 B, should apply provisionally;

6. Requests the Secretary-General to report to the Council every 30 days from the date of extension of the mandate of MINURSO on the progress of the implementation of the Settlement Plan and the agreements reached between the parties, and to keep the Council regularly informed of all significant developments in the interim period, and, as appropriate, on the continuing viability of the mandate of MINURSO;

7. Decides to remain seized of the matter.

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NOTE BY THE SECRETARY-GENERAL

1. The Secretary-General has the honour to transmit to the Security Council a report submitted by the Executive Chairman of the Special Commission established by the Secretary-General pursuant to paragraph 9 (b) (i) of Security Council resolution 687 (1991) of 3 April 1991.

2. The present report is the fifth report by the Executive Chairman of the Special Commission following the adoption of Security Council resolution 1051 (1996) of 27 March 1996, in paragraph 16 of which the Council called for the consolidation of the reports required under the Council's resolutions 699 (1991) of 17 June 1991 and 715 (1991) of 11 October 1991.[1]

3. This report also responds to the request made of the Executive Chairman of the Special Commission, in paragraph 4 of Security Council resolution 1115 (1997) of 21 June 1997 and paragraph 5 of Council resolution 1134 (1997) of 23 October 1997, that he include in his consolidated progress reports under resolution 1051 (1996) an annex evaluating Iraq's compliance with paragraphs 2 and 3 of resolution 1115 (1997).

Notes

[1] The Commission's 22 previous reports are contained in documents S/23165, S/23268, S/23801, S/24108 and Corr.1, S/24661, S/24984, S/25620, S/25977, S/26684, S/26910, S/1994/489, S/1994/750, S/1994/1138 and Corr.1, S/1994/1422 and Add.1, S/1995/284, S/1995/494, S/1995/864, S/1995/1038, S/1996/258, S/1996/848, S/1997/301 and S/1997/774.

Report of the Executive Chairman on the activities of the Special Commission established by the Secretary-General pursuant to paragraph 9 (b) (i) of resolution 687 (1991)

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I. INTRODUCTION

1. On 23 October 1997, the Security Council adopted resolution 1134 (1997) following its consideration of the consolidated report submitted to it by the Special Commission (UNSCOM) on 6 October 1997 (S/1997/774). Six days later, on 29 October 1997, the Government of Iraq announced policy decisions imposing unacceptable conditions upon the conduct of the Commission's work within Iraq. This caused the beginning of a period widely recognized to be one of crisis in the relations between Iraq and the Commission. Events during that period are recorded in the annex to the present report.

2. As part of the response to the crisis situation, at the request of the Security Council, the Special Commission met in emergency session on 21 November 1997. During that session, Commissioners reiterated the fundamental need for Iraq to comply with the resolutions and decisions of the Security Council and to cooperate fully with the Commission. The Commissioners also made a number of recommendations for action designed to improve the effectiveness of the Commission's work. Actions that have been taken to implement the report (S/1997/922) and recommendations of the emergency session are dealt with in the body of the present report.

3. The period of crisis came to a close during the Secretary-General's visit to Baghdad and the signature on 23 February 1998 of the Memorandum of Understanding between the Republic of Iraq and the United Nations (S/1998/166). The Memorandum of Understanding was subsequently endorsed by the Security Council in its resolution 1154 (1998) of 2 March 1998.

4. The Memorandum of Understanding reconfirmed Iraq's acceptance of all relevant resolutions of the Security Council and reiterated Iraq's undertaking to cooperate fully with the Commission and the International Atomic Energy Agency (IAEA). It also established special procedures to apply to the initial and subsequent entries by the Commission and IAEA for the performance of the tasks mandated at the eight presidential sites in Iraq, which were defined in the annex to the Memorandum. It also provided that all other areas of Iraq and facilities, equipment, records and means of transportation would be subject to the Commission's procedures hitherto established.

5. In the Commission's view, the Memorandum of Understanding served not only the crucial objective of bringing to an end an increasingly dangerous situation, but also provided an important means through which the Commission should be able to discharge its mandate, as laid down by the Security Council, if Iraq adheres to the undertaking of full cooperation it gave in the Memorandum.

6. In this context, it should be recalled that the Commission's mandate has two parts: the identification and destruction, removal or rendering harmless of Iraq's proscribed weapons and of all the related components, items and facilities, and the maintenance of a system of ongoing monitoring and verification to ensure that such prohibited weapons and items are not reconstituted in the future.

7. Central to the period of crisis was the issue of access by the Commission to the sites, documents and persons to which it needs to have access in the discharge of its mandate. The Security Council has established and reiterated that such access should be immediate, unconditional and unrestricted. In the Memorandum of Understanding, Iraq made the commitment to accord the Commission and IAEA such access.

8. While the denial of that access had been integral to the period of crisis, it must be noted that such access and the conduct of inspections generally is not, in itself, the prime objective or function of the Commission, but an important means through which the prime objective is approached, namely, the removal of Iraq's proscribed weapons and capabilities.

9. The report that follows below draws, carefully, this important distinction between process and substance and seeks, as far as possible, to focus on the latter.

II. STATUS REPORT: DISARMAMENT

A. Background

10. In its resolution 687 (1991), the Security Council laid down the obligation that Iraq should unconditionally accept the destruction, removal or rendering harmless under international supervision of its prohibited weapons. That resolution also sets forth the actions that need to be taken by Iraq in each of the proscribed areas - ballistic missiles and chemical and biological weapons - in fulfilment of its disarmament obligations.

11. Paragraph 22 of resolution 687 (1991) ties Iraq's actions with respect to the removal of its proscribed weapons to the removal of the prohibitions against the import of commodities and products originating in Iraq and the financial transactions related thereto set forth in resolution 661 (1990). This relationship has, naturally, led to significant focus being placed upon the state of affairs in each of the specified weapons "files". While such focus is on the matter of substance - the weapons - it is important to recall that the terms of paragraph 22 refer to the specific actions contemplated in paragraphs 8 to 13 of the same resolution. Paragraphs 8 to 10, for which the Commission is particularly responsible, provide the sole criteria on the basis of which Iraq's actions with respect to disarmament in the three specified weapons areas are to be assessed and, thus, the basis for a decision by the Council on the other matters referred to in paragraph 22.

12. Before providing detail on the substantive disarmament issues, a number of central points are recorded, briefly, because they form the indispensable context for any consideration by the Council of the current state of Iraq's compliance with its obligations.

13. Throughout the period of crisis, Iraq has claimed that it no longer has prohibited weapons "in the control of the Government of Iraq, in the territory of Iraq". It has stated, further, that it has made available to the Commission

all that is necessary to enable the Commission to verify that claim and that nothing further, of substance, will be made available by Iraq.

14. Iraq's claim that it has no more prohibited weapons, which it has not been possible for the Commission to verify, does not in itself satisfy the three-step system the Council established in order to enable Iraq to fulfil its obligations under resolution 687 (1991). Those three steps are full declaration by Iraq, verification by the Commission and destruction, removal or rendering harmless under international supervision. These three steps form the integrity of a whole process. They are not separable into individual parts.

15. While Iraq's present claim might be able to be interpreted as satisfying, at least partly, the first of these steps, its consistent refusal to provide the Commission with the information and materials needed to verify its claim, clearly fails to satisfy the second step. Taken together, these two circumstances make the third step impossible. Thus, the integrity of the whole process has not yet been satisfied.

16. This difficult circumstance is made even more complicated by Iraq's claim that it has unilaterally destroyed those of its prohibited weapons which were not destroyed under international supervision. While it is clear that in a number of weapons areas unilateral destruction did take place, again, Iraq's refusal to provide adequate and verifiable details of that destruction has meant that, up to the present time, the Commission has not been able to verify all of Iraq's claims with respect to such unilateral destruction.

17. It needs to be recorded that in relevant discussions between the Deputy Prime Minister of Iraq, Mr. Tariq Aziz, and the Executive Chairman, the Deputy Prime Minister indicated that, in his view, the main reason why Iraq's claims with respect to its weapons status were not accepted by the Commission was the Commission's lack of technical competence and bias against Iraq. Such views do nothing to alter the fact that Iraq's basic declarations of its holdings and capabilities in prohibited weapons areas have never been "full, final or complete", as required by the Council. Further, Iraq's failure to provide all of the materials and evidence required to fill in the gaps left by those declarations and its acts of unilateral destruction have significantly obfuscated the situation.

18. In the atmosphere that these regrettable circumstances have caused there has been, perhaps inevitably, some focus on the nature and/or standard of verification required to enable the Commission to enter credible reports under paragraph 22 of resolution 687 (1991).

19. If the Commission is to enter such reports credibly, where prohibited weapons have existed, it must be able to <u>verify positively</u> that they have been destroyed, removed or rendered harmless. Where items and facilities for the potential manufacture or constitution of such weapons existed or exist, it must be able to <u>verify negatively</u> that prohibited weapons are not being created. This is the standard that was envisaged by the Security Council and is the standard routinely applied in all comparable disarmament and arms control regimes.

20. In the following paragraphs of this section of the report, an account is given of the actions required of Iraq in each of the weapons areas coming within the mandate of the Commission; the stage arrived at with regard to each of those areas; and the Commission's view of priority issues revealed by the current state of affairs.

B. Proscribed missiles

1. Actions required of Iraq

21. The Security Council requires Iraq to unconditionally accept the destruction, removal or rendering harmless, under international supervision, of all ballistic missiles with a range greater than 150 kilometres and related major parts, and repair and production facilities (para. 8 (b) of resolution 687 (1991)).

22. To that end, Iraq is required to submit to the Secretary-General, within 15 days of the adoption of resolution 687 (1991), a declaration of the locations, amounts and types of all items just mentioned in the missile area (para. 9 (a) of resolution 687 (1991)).

23. The inadequacy of Iraq's initial declarations was one of the elements leading to the adoption of Security Council resolution 707 (1991) of 15 August 1991, in which the Council, inter alia, demands that Iraq provide full, final and complete disclosure, as required by resolution 687 (1991), of all aspects of its programmes to develop weapons of mass destruction and ballistic missiles with a range greater than 150 kilometres, and of all holdings of such weapons, their components and production facilities and locations.

24. Iraq is further required to agree to urgent, on-site inspection by the Special Commission of its missile capabilities, based on Iraq's declarations and the designation of any additional locations by the Special Commission itself (para. 9 (b) (i) of resolution 687 (1991)).

25. Other acts required of Iraq include the destruction by Iraq, under supervision of the Special Commission, of all its missile capabilities, including launchers (para. 9 (b) (ii) of resolution 687 (1991)).

26. Iraq is further required to unconditionally undertake not to use, develop, construct or acquire any of the items relating to the missile area specified in paragraph 21 of this report (para. 10 of resolution 687 (1991)).

27. To verify Iraq's compliance with the foregoing undertakings, in resolution 687 (1991) the Security Council requested the Secretary-General, in consultation with the Special Commission, to develop the plan for future monitoring and verification, which was approved by the Council in its resolution 715 (1991) of 11 October 1991. That resolution, inter alia, requires Iraq to meet, unconditionally, all its obligations under the plan.

28. In paragraph 7 of resolution 715 (1991) the Council called for the development of a mechanism for monitoring any future sales or supplies by other

countries to Iraq of items relevant to the implementation of section C of resolution 687 (1991). The mechanism was approved by the Council in resolution 1051 (1996) of 27 March 1996, which demands that Iraq meet, unconditionally, all its obligations under the mechanism.

2. Actions taken

29. Since the adoption of resolution 687 (1991), Iraq has presented not one but a series of different declarations on its proscribed missiles, related items and activities. At each stage, they reflected a different level of disclosure by Iraq, as well as omissions of proscribed weapons capabilities and activities that Iraq attempted to conceal. The current "Full, final and complete disclosure", which the Commission is still attempting to verify, was submitted by Iraq in July 1996.

30. At the time of the adoption of resolution 687 (1991), Iraq declared and then presented for destruction under international supervision only a portion of its holdings of proscribed missiles, major parts and missile-related capabilities. Iraq claims that the remainder was destroyed by it, unilaterally, mainly in mid-1991. This purported action by Iraq, in contravention of resolution 687 (1991), covered some two thirds of its operational missile force, including missiles, launchers, warheads and propellants. Despite Iraq's denials and concealment, the Commission identified, through its inspections and investigations, a number of proscribed items and capabilities and, in accordance with resolution 687 (1991), destroyed or rendered them harmless. This included production equipment and machine tools for indigenous manufacture of missiles.

31. The verification effort on Iraq's proscribed holdings and activities in the missile area has yielded significant results. Of particular importance is the accounting of such major operational assets as imported missiles of Scud/Al Hussein type and their launchers, which were destroyed unilaterally. Nevertheless, further work is required if the Commission is to be able to report credibly to the Security Council that Iraq has completed all actions contemplated in the missile-related paragraphs of resolution 687 (1991). The paragraphs immediately below provide a brief description of the status of the remaining priority issues.

3. Priority issues

Operational missile assets

32. After the accounting for imported proscribed missiles and their launchers as reported in the Commission's report of October 1997, work continued in the areas of missile warheads and propellants. Warhead issues were the subject of consideration by a technical evaluation meeting that was held in Baghdad from 1 to 6 February 1998. The meeting concluded that the level of verification achieved so far was not satisfactory and stated that further work was required. The meeting made specific recommendations for continuing verification activities by the Commission and actions to be taken by Iraq, including provision of documentation and new declarations. The excavation and analysis of warhead

remnants continues with advanced survey equipment. Iraq has not yet provided the information, data and documentation specified by the meeting.

33. The accounting of proscribed missile propellants is still outstanding. As Iraq has not provided the new declarations or documentation requested by the Commission, no substantive progress is able to be recorded in the six months since the Commission's last consolidated report to the Security Council.

Indigenous missile production

34. Iraq was required to provide verifiable declarations on its achievements in indigenous production of proscribed missiles, including a verifiable material balance of their components. The work, in particular in the area of verification of indigenously produced missiles and the unilateral destruction of components acquired for their production, has not yet yielded satisfactory results.

35. In its last consolidated report, the Commission stated that Iraq needed to provide solid documentary support for its declarations. It indicated that a full understanding of Iraq's operational considerations that led to the retention of proscribed missile assets after the adoption of resolution 687 (1991) was also required. The same was true for concealment measures that had been taken by Iraq to protect those assets. The Commission's various requests for clarifications, explanations, supporting evidence and documentation related to the outstanding issues in the missile area have been reiterated to Iraq on numerous occasions, in particular during the Executive Chairman's visits to Iraq and in his correspondence with the Government of Iraq.

36. It remains the case that, unless such data is furnished by Iraq, the Commission will continue to be unable to render a full and verified accounting of Iraq's proscribed missile capabilities and their elimination, as required by the Security Council.

C. Chemical weapons

1. Actions required of Iraq

37. The Security Council required Iraq to unconditionally accept the destruction, removal or rendering harmless, under international supervision, of all chemical weapons and all stocks of agents and all related subsystems and components and all research, development, support and manufacturing facilities (para. 8 (a) of resolution 687 (1991)).

38. To that end, Iraq is required to submit to the Secretary-General, within 15 days of the adoption of resolution 687 (1991), a declaration of the locations, amounts and types of all items just mentioned in the chemical area (para. 9 (a) of resolution 687 (1991)).

39. The inadequacy of Iraq's initial declarations was one of the elements leading to the adoption of Security Council resolution 707 (1991) in which the Council, inter alia, demands that Iraq provide full, final and complete

disclosure, as required by resolution 687 (1991), of all aspects of its programmes to develop weapons of mass destruction and ballistic missiles with a range greater than 150 kilometres, and of all holdings of such weapons, their components and production facilities and locations.

40. Iraq is further required to agree to urgent, on-site inspection by the Special Commission of its chemical capabilities, based on Iraq's declarations and the designation of any additional locations by the Special Commission itself (para. 9 (a) of resolution 687 (1991)).

41. Other acts required of Iraq include the yielding by Iraq of possession to the Special Commission for destruction, removal or rendering harmless of all chemical items specified in paragraph 37 of this report (para. 9 (b) (ii) of resolution 687 (1991)).

42. Iraq is further required to unconditionally undertake not to use, develop, construct or acquire any of the items relating to the chemical area specified in paragraph 37 of this report (para. 10 of resolution 687 (1991)). Iraq's compliance with this undertaking is subject to the Commission's plan for future monitoring and verification, and to the export/import mechanism, both referred to in paragraphs 27 and 28 of this report.

2. Actions taken

43. Since the adoption of Security Council resolution 687 (1991), Iraq has presented a series of declarations on its chemical weapons, related items and proscribed activities. At each stage, these declarations reflected a different level of disclosure by Iraq, as well as omissions of proscribed weapons capabilities and activities that Iraq had concealed. The current chemical "Full, final and complete disclosure" (FFCD), which the Commission is still attempting to verify, was submitted by Iraq in June 1996. Since then, Iraq has provided several additional letters of clarification, which, according to Iraq, should be considered an integral part of the FFCD.

44. At the time of the adoption of resolution 687 (1991), Iraq declared and presented for destruction under international supervision only part of the holdings of prohibited chemical weapons-related items and capabilities. Iraq claims that the remainder was destroyed, unilaterally, in mid-1991. This purported action by Iraq, in contravention of resolution 687 (1991), covered mainly significant quantities of VX precursors and chemical weapons (CW) munitions. Furthermore, Iraq concealed the previous involvement of some 400 pieces of dual-use production equipment in its past CW-related activities. Attempts to produce VX on an industrial scale was admitted only in 1995. Despite Iraq's denials and attempts to conceal, the Commission's verification efforts on Iraq's proscribed chemical weapons programme has yielded significant results.

45. A significant number of chemical weapons, their components and related equipment were identified and destroyed under UNSCOM supervision in the period from 1991 to 1997. This included over 38,000 filled and unfilled chemical munitions, 690 tons of chemical warfare agents, more than 3,000 tons of

precursor chemicals and over 400 pieces of production equipment. Significant progress was achieved in the investigation of the past CW-related activities with respect to information on types and quantities of chemical weapons developed and produced. This knowledge is essential for effective monitoring activities in Iraq.

46. Further work is required if the Commission is to be able to report with confidence to the Security Council that Iraq has completed all actions contemplated in relevant chemical weapons-related paragraphs of resolution 687 (1991). In the period under review, the Commission gave priority to the resolution of the four issues outlined in the report of the emergency session of the Special Commission of 21 November 1997 (S/1997/922, annex, para. 13).

3. Priority issues

47. The accounting for special (chemical and biological) warheads for the Al Hussein missiles was discussed in depth in the course of the technical evaluation meeting on missile warheads held in Baghdad from 1 to 6 February 1998. The meeting came to the conclusion that the level of verification achieved so far is not satisfactory and that Iraq is required to undertake additional steps to settle this issue.

48. In parallel, from 2 to 6 February 1998, the Commission conducted a technical evaluation meeting on the extent of Iraq's efforts to produce and weaponize the chemical warfare agent VX. The meeting confirmed the assessment given in the Commission's October 1997 report and determined that no full disclosure on the subject of VX had been made by Iraq and that further verification was required. It was also concluded that Iraq was capable of producing VX and that the retention of a VX capability by Iraq could not be excluded.

49. The Commission believes that further progress in the verification of the past VX-related activities could be achieved through finalization of the material balance of special munitions, full verification of the disposition of chemical weapons production equipment and sampling at VX-related sites.

50. Recently the Commission sent an international expert team to Baghdad to attempt to clarify the material balance of special munitions procured and produced by Iraq for CW and biological weapons (BW) purposes. For example, there remains concern that significant quantities of 155-mm rounds are unaccounted for. This has acquired additional importance in the light of the recent analysis of four intact 155-mm shells filled with mustard of the highest quality (purity of 94 to 97 per cent), even after seven years of exposure to extreme climatic conditions. This analysis was undertaken following Iraq's insistence that it was not necessary for the Commission to account for such extant munitions on the grounds that the CW agent with which they were filled would by now have degraded to an inert state. Clearly, these Iraqi munitions could be stored for decades without any loss of quality.

51. Furthermore, the Commission is currently preparing a mission related to the verification of the material balance of production equipment procured by Iraq

for CW-purposes. This mission will be carried out in the second half of April 1998. A full accounting on this issue would allow the Commission to have a better overall accounting of Iraq's CW activities.

52. In addition, the Commission will continue evaluation and verification of other chemical weapons issues mentioned in its report to the Security Council of 6 October 1997 (S/1997/774). This includes the accounting of all CW-related research and production projects in the area of CW agents and munitions carried out by Iraq in the period from 1988 to 1990; the disposition of "know-how" documentation on the production of various types of CW; and documentation on commercial contracts from Iraq's CW-related procurement activities.

53. The availability of verifiable substantiation of Iraq's various declarations would immensely speed up the clarification of all outstanding issues in the chemical weapons area. Iraq has been requested on numerous occasions to provide such documentary support. It has not done so.

54. It remains the case that unless such data is provided by Iraq the Commission will be unable to render a full and verified accounting of all Iraq's proscribed CW-related capabilities and for their elimination, as required by the Security Council.

D. Biological weapons

1. Actions required of Iraq

55. The Security Council required Iraq to unconditionally accept the destruction, removal or rendering harmless, under international supervision, of all biological weapons and all stocks of agents and all related subsystems and components and all research, development, support and manufacturing facilities (para. 8 (a) of resolution 687 (1991)).

56. To that end, Iraq is required to submit to the Secretary-General, within 15 days of the adoption of resolution 687 (1991), a declaration of the locations, amounts and types of all items just mentioned in the biological area (para. 9 of resolution 687 (1991)).

57. The inadequacy of Iraq's initial declarations was one of the elements leading to the adoption of Security Council resolution 707 (1991), in which the Council, inter alia, demands that Iraq provide full, final and complete disclosure, as required by resolution 687 (1991), of all aspects of its programmes to develop weapons of mass destruction and ballistic missiles with a range greater than 150 kilometres, and of all holdings of such weapons, their components and production facilities and locations.

58. Iraq is further required to agree to urgent, on-site inspection by the Special Commission of its biological capabilities, based on Iraq's declarations and the designation of any additional locations by the Special Commission itself (para. 9 (i) of resolution 687 (1991)).

59. Other acts required of Iraq include the yielding by Iraq of possession to the Special Commission for destruction, removal or rendering harmless of all biological items specified in paragraph 55 of this report.

60. Iraq is further required to unconditionally undertake not to use, develop, construct or acquire any of the items relating to the biological area specified in paragraph 55 of this report. Iraq's compliance with this undertaking is subject to the Commission's plan for future monitoring and verification and to the export/import mechanism, both referred to in paragraphs 27 and 28 of this report.

2. Actions taken

61. Iraq denied that it had any offensive BW programme until July 1995. Since that time, a series of FFCDs have been submitted to the Commission, the latest in September 1997. Iraq now claims that its BW programme was "obliterated" in 1991 through the unilateral destruction of the weapons deployed, bulk agent and some documents associated with the programme. Notwithstanding this claim, which is itself unverifiable, it is established that Iraq retained the facilities, growth media, equipment and groupings of core technical personnel of its BW programme.

62. In September 1997, a panel of experts considered Iraq's 1997 biological FFCD and expressed the view that the document was incomplete, inadequate and technically flawed.

63. Accordingly, the Commission reported to the Security Council in October 1997 that Iraq had not disclosed the full scope of its BW programme. In meeting Iraq's request that it be allowed to present its view directly to externally appointed experts, an expanded international team of 18 experts from 15 countries was invited to take part in a technical evaluation meeting on all aspects of Iraq's BW programme.

64. This took place from 20 to 27 March 1998. The experts used all available information as well as Iraq's explanations and clarifications. Iraq did not provide any new information to the technical evaluation meeting. No additional confidence in the veracity or completeness of the FFCD was derived from the meeting.

65. Although Iraq contends that it has provided a full and complete account of its BW programme, the scope of its programme, acknowledged and defined in 1995 and in succeeding FFCDs, still does not cover the entirety of the BW programme. Iraq's FFCD is judged to be incomplete and inadequate and to contain major mistakes, inconsistencies and gaps in information. The FFCD does not provide a clear understanding of the current status of the BW programme nor whether, nor when, it was terminated.

66. In this overall context, it is important to mention that, in March 1998, the Commission discovered in Iraq a document, dated 1994, which indicated the existence, at a site monitored by the Commission's missile monitoring team, of a

programme for the manufacture of nozzles for spray dryers to be delivered to Al Hakam, Iraq's principal biological weapons production facility.

67. Also, in September 1997, the Commission discovered in Iraq another relevant set of documents relating to discussions held in 1995 by Iraq and a potential supplier for the possible importation of a single-cell protein facility, the potential dual-use character of which is beyond question. Following contact with the potential supplier, the Commission was assured that no contract was concluded and that no request to supply such materials and equipment had been submitted to the national export control agency of the potential supplier, either in 1995 or in subsequent years.

3. Priority issues

68. Specific concerns identified by the technical evaluation meeting of March 1998 included the following.

History

69. Iraq has provided a selected and incomplete history of the BW programme. It does not include the evolutionary aspects of the BW programme nor an adequate account of the funding and budgetary arrangements. Iraq must provide the Commission with an accurate record of its BW programme.

Organizations

70. There is a general lack of information concerning relevant organizational arrangements from the highest levels down and their connections to functional organs. All involvement of the Ministries of Defence, Health, Intelligence or other relevant agencies is denied by Iraq, contrary to the available evidence. The organizations driving or influencing the BW programme are not disclosed. This reflects negatively on the credibility of all aspects of the FFCD. Had biological weapons been integrated into Iraq's strategic arsenal, military objectives, concepts of use and mechanisms for releasing the weapons would have been defined. Iraq denies the existence of any such planning.

Acquisitions

71. The FFCD is deficient in reporting the acquisition of supplies, material, seed strains, munitions and equipment. Substantial quantities of microbial growth media are not reported or included in the material balance. Iraq has not provided complete information on all its acquisition channels.

Research and development

72. All research and development is minimized by Iraq. No rationale is presented for selection of agents or inclusion of particular technologies. All planning is denied. Management and development of the research programme is not presented in its totality. The quality of all the scientific information in the FFCD is poor, with more emphasis on methods than on results. Iraq's portrayal

of the aerobiology development, with no bearing on other components of the research programme, is contradicted by information held by the Commission.

Production

73. Iraq maintains that it is difficult, if not impossible, to provide any verifiable account of production because relevant documents had been unilaterally destroyed. The claimed production quantities of BW agents are inadequately supported. There is low confidence in the stated production figures. The use by Iraq of recollection and back-calculation, based on weapons filling needs and/or the "1990 Al-Hakam report", is flawed and, consequently, the figures are not reliable.

Weaponization

74. Statements on production and filling of munitions are inadequately supported. Destruction of the BW munitions and weapons cannot be reconciled with the physical evidence. The inability or unwillingness by Iraq to provide a verifiable account of its BW munitions and weapons casts doubts on many aspects of the BW weaponization programme. The significance of Iraq's BW aircraft drop-tank project is minimized and information provided is deficient. The denial of any planning or involvement of relevant agencies in weapons selection, filling, deployment or destruction is not credible. Weapons research into other systems, including cluster munitions and remotely piloted vehicles, is inadequately described. This lack of candour raises the possibility of research or development of undisclosed systems.

Material balance

75. The numerical accounting, based on estimates, of the growth media balance is flawed. Figures of BW agent production are also based on estimated quantities. Figures provided are insufficiently supported to determine a material balance. The construction of a material balance, based primarily on recollection, provides no confidence that weapons, bulk agents, bulk media and seed stocks have been eliminated.

76. The Commission will continue its pursuit of the facts of Iraq's proscribed BW programme, but given the situation described above, it requires new verifiable information from Iraq before the Commission can assess the full scope of Iraq's BW programme.

77. Unless such information is forthcoming, the Commission will not be able to provide a credible report required with respect to Iraq's BW capabilities, as required by the Security Council.

E. Steps required

78. In sections B to D of this status report on disarmament, priority areas for future action are outlined. It is important that their nature be understood.

79. The basic circumstances the Commission has faced in attempting to bring Iraq's prohibited weapons and related items to account were described in the introductory paragraphs and then specified in each weapons area in this section of the report. These circumstances point to a list of priorities for future action as an important guide to both Iraq and the Commission on how they might move expeditiously towards the achievement of the required full accounting. But there are dangers in viewing such a list as definitive, that is, as providing a finite list, which, if satisfied, would mean that all outstanding issues would be accounted for.

80. While this is the outcome the Commission earnestly seeks, the Commission's ability to verify positively that "Iraq has completed all of the actions contemplated" necessarily relies upon the availability of all relevant materials. If the Commission presented Iraq with a finite list, it is not unreasonable to consider that Iraq might take action to satisfy only that list positively, thus leaving aside other relevant materials known to it but possibly not known to the Commission. To proceed in this way could water down Iraq's primary obligation to make all relevant materials available. Furthermore, to replace that obligation with the Commission's own list would effectively transfer the onus of establishing the basic facts from Iraq to the Commission. The Commission's list would become the standard of proof, not Iraq's compliance with what the Security Council has repeatedly declared to be the sole governing standard, namely, Iraq's compliance with the resolutions and decisions of the Council. Those resolutions provide that Iraq should submit its truth for verification by the Commission, not the reverse.

81. Having made this fundamental point, the Commission can confirm, however, that to the best of its knowledge, considerable progress towards a full accounting of Iraq's prohibited weapons capabilities could be achieved if Iraq were to provide all relevant materials connected to the issues mentioned as priority issues.

82. It should be evident that full cooperation by Iraq is basic to the three-step process envisaged by the Council. Were such cooperation to replace mere declaration, without supporting evidence by Iraq, and its policy of seeking to minimize the information it makes available to the Commission, the Commission's ability to bring to account Iraq's prohibited weapons and related items would improve considerably. Under such circumstances, the Commission's verification activities could be completed in a short time.

83. In the same context, it is necessary to record a comment on the role of technical evaluation meetings. This new means of seeking greater clarity about Iraq's prohibited weapons and items was established by the Commission in January 1998, following representations to it by Iraq in December 1997. Since that time, repeated statements by Iraq have made clear that it places great importance on the technical evaluation meeting process as a major means of demonstrating the truth of its claim that it no longer has any prohibited weapons.

84. Now that the first technical evaluation meetings have been held - one each in the missile, chemical and biological areas - at least two salient facts have emerged.

85. Firstly, not only did the process fail to improve the Commission's ability to verify positively Iraq's claims about its prohibited weapons status, but, in each case, the process indicated further areas of lack of clarity and uncertainty and the need for further work in the field rather than at a conference table.

86. Secondly, the technical evaluation meetings have become an extremely time-consuming process for the Commission and have slowed down and, in some cases, led to the postponement of important field work. The question of the possible substitution of technical evaluation meetings for more concrete work in the field, whether by accident or design, is a matter of concern to the Commission and, in its view, should also be a matter of concern to Iraq, given that the only way outstanding issues may be able to be resolved is by material results as against conceptual results established through argument and discussion, much of which has proven to be political in character rather than technical.

87. These latter comments about the possible disutilities of the technical evaluation meeting process would not be made had Iraq done what it indicated it would do, namely, brought to each of the technical evaluation meetings new materials that would help explain and verify its claims with respect to its prohibited weapons programmes. As the reports of the technical evaluation meetings have indicated, it significantly failed to do this even though the process was created at Iraq's request to enable it to prove its claims. This was specially true in the area of the technical evaluation meeting on biological weapons.

88. Returning to the question of field work, in the area of disarmament, inspections continue to be of considerable importance. It also continues to be true that the frequency and intrusiveness of inspection relies, in large measure, on the extent to which Iraq cooperates, in the first instance, by providing accurate declarations supported by credible evidence. To the extent that such declarations either clearly lack credibility and/or are not accompanied by relevant evidentiary material, then, to the same extent, the Commission is obliged to mount more frequent and more, rather than less, searching inspections.

89. Work in the field is also an indispensable part of the Commission's work of ongoing monitoring and verification. Through this work, the Commission obtains the required negative verification that dual-capable equipment and facilities are not being diverted to prohibited purposes.

90. In conclusion, Iraq's claim, uttered repeatedly and sometimes stridently during the period under review - to the effect that it is now absolutely free of any prohibited weapons and the equipment used to make them - is a claim that most would prefer to be true but which has not been able to be verified. The Commission's mandate does not permit it to accept disarmament by declaration alone.

91. The Commission has striven to improve the situation by a range of actions, including the new technical evaluation meeting process, but, unfortunately, Iraq has so far failed to deliver what is required to verify its claim even though it

has been asked for this help repeatedly and has promised to give it in, for example, the Memorandum of Understanding of 23 February 1998.

III. STATUS REPORT: ONGOING ISSUES

A. Emergency session of the Special Commission

92. At the request of the Security Council, the members of the Special Commission convened in emergency session on 21 November 1997 in order to discuss and advise on ways of making the work of the Commission more effective, on the basis of the resolutions of the Security Council. The report of the session (S/1997/922) was transmitted by the Executive Chairman to the Security Council on 24 November 1997. On 3 December 1997, the Council endorsed the conclusions and recommendations in that report (S/PRST/1997/54).

1. Actions by the Commission

93. The Special Commission has implemented most of the recommendations of the emergency session, including those relating to ongoing monitoring and verification. The effectiveness of the Special Commission has been improved by the increasing contribution by the Commissioners to its regular work. The Commission's staff continues to investigate technologies that could assist in the effective implementation of its inspection work, including the possibility of utilizing additional aircraft and sensors provided by Governments to the Commission.

2. Actions by Governments

94. Among the recommendations was a call upon Governments to provide experts, equipment and services, as well as information, in particular supplier information, relevant to Iraq's proscribed programmes.

95. Governments responded with the continued provision of experts, equipment and services. An increasing number of countries are providing experts to participate in inspection teams. The Special Commission wishes to reiterate that in choosing experts, the prime consideration is not nationality but rather the competence of experts in the areas of weapons of mass destruction and their production. The need for such expertise may limit the number of countries that are able to supply qualified personnel.

96. The response to the Commission's observations on the importance of the contributions that Governments can make through the provision of information, in particular supplier information relevant to Iraq's proscribed programmes, has been disappointing, especially in cases where the Commission's requests to certain Member States, including members of the Security Council, for information known to be in their possession have been outstanding, in some instances for a number of years.

3. Actions by Iraq

97. Despite the Council's endorsement of the recommendations of the emergency session of the Commission, Iraq has essentially failed to fulfil the steps addressed to it. Iraq has not provided the necessary information to overcome the deficiencies, in particular in the chemical and biological areas. Contrary to the decisions of the Council and its own undertakings, Iraq has also confirmed its refusal to permit the Commission's fixed-wing aircraft to land at Rasheed Airbase and at Basrah International Airport.

B. Plenary session of the Special Commission

98. The fifteenth plenary session of the Commission was held in New York on 30 and 31 March 1998. The members of the Commission discussed draft elements for inclusion in the Commission's April report. There was a general sense of satisfaction with the increased participation of the Commissioners in the delegations accompanying the Executive Chairman in his regular meetings with the Iraqi authorities in Baghdad. It was also agreed that Commissioners should take part, as appropriate, in future inspections in Iraq.

99. The Permanent Representative of Iraq to the United Nations requested the opportunity to make a presentation of Iraq's position. Commissioners agreed to that request. The members of the Commission also agreed, in response to an oral request from the Deputy Prime Minister of Iraq, that a technical delegation from Iraq could also be invited to make a presentation at the next plenary meeting.

C. Implementation of the Memorandum of Understanding

100. In addition to the provisions for the entry into the presidential sites in Iraq, the Memorandum of Understanding of 23 February 1998 also recorded that Iraq reiterated its acceptance of all relevant Security Council resolutions, its undertaking to cooperate fully with the Commission and IAEA and its agreement that all other areas, facilities, equipment, records and means of transportation should be subject to UNSCOM and IAEA procedures hitherto established.

101. The report on the initial entry to the eight presidential sites has been presented separately to the Security Council, in accordance with the procedures established pursuant to the Memorandum of Understanding (see S/1998/326).

102. With regard to access to any other site for inspection, shortly after the Security Council endorsed the Memorandum of Understanding, the Commission dispatched UNSCOM 227 to resume its inspection activities in Iraq. Previously, in January 1998, UNSCOM 227 had been blocked by Iraq during its first day of activities and the Executive Chairman had consequently decided to withdraw the team from Iraq.

103. On this occasion, the Government of Iraq allowed the team to enter all the sites designated for inspection. Several sites were declared by Iraq as sensitive, including the Ministry of Defence. The guidelines "Modalities for inspection of sensitive sites" of 22 June 1996, expanded by the Chairman after

consultations with the Deputy Prime Minister of Iraq in December 1997, were applied and fully respected.

104. The Chairman had previously expressed to the Iraqi side and to the Council his view that the original "Modalities for inspection of sensitive sites" did not work and that modifications were necessary. Accordingly, during his discussions in Baghdad in December 1997 and January 1998, the Chairman proposed that the "modalities" be expanded. The Deputy Prime Minister raised no objection. The result of the inspections performed by UNSCOM 227 showed, in practical terms, that the expanded "modalities" had worked satisfactorily. This was a very positive development, which the Commission hopes will be maintained for future inspections.

D. Presidential sites: baseline survey

105. The report on the initial entry to the eight presidential sites has been forwarded separately to the Security Council. It reflected the achievement of entry to locations that had previously been off limits; the limited objective of undertaking a baseline survey; and the establishment of precedent for future entries.

106. The baseline survey has the definite utility of providing important data and focus to follow-on, potentially no-notice, inspections. This will be important for long-term monitoring as well as resolving questions about the disposition and possible concealment of proscribed weapons and items.

107. The mission also accomplished clarifications of the precise perimeters of the designated presidential sites. The precise revisions to those areas will also be forwarded separately to the Security Council.

108. While there was a good level of mutual cooperation, the report of the Head of the Team reflected the difference of view on continuing access to the presidential sites that emerged at the end of the initial entry. While the exercise of the right of access may vary with time, it will be exercised by UNSCOM/IAEA. The need for the right of such access is vital to credible monitoring in the future under resolution 715 (1991).

E. Ongoing monitoring and verification

1. Internal developments

109. As noted in the Commission's October 1997 report (S/1997/774) and endorsed by the emergency session, the Commission is undertaking a review of the entire monitoring system in order to ensure that it remains focused on achieving its aims. After more than three years of operations and the experience of the export/import mechanism, it is clear that certain elements of the original concept of the monitoring system cannot be implemented in practice without a very significant increase in the resources of the system.

110. While cooperation by the Government of Iraq remains pivotal to the efficacy of the monitoring system, the system must nevertheless be operable, practically, if it is to be credible.

2. Developments in relations with Iraq

111. During the reporting period, the major event in the monitoring field occurred following Iraq's decision of 29 October 1997 imposing unacceptable conditions upon cooperation with the Commission. Monitoring inspections did not resume until 22 November 1997. The details of events during that period are given in the annex to this report.

112. As a result of the transgressions that occurred during November 1997, the Executive Chairman wrote to the Government of Iraq on 26 November 1997, seeking information concerning the items subject to monitoring that had been removed from their locations in contravention of Iraq's obligations under the monitoring plans. The Government of Iraq responded on 28 November 1997, stating that such information was not necessary. As a consequence of this lack of cooperation, several inspections were conducted to try to establish what had occurred during the period when the Commission was unable to conduct monitoring. In the report to the Security Council of his visit to Baghdad in January 1998 (S/1998/58, annex), the Executive Chairman confirmed that the Commission had not found direct evidence of the prohibited use of dual-use equipment.

113. The Commission's resident monitoring teams continue to experience varying levels of cooperation from the National Monitoring Directorate in the execution of their tasks. While the support at the working level is generally satisfactory, there continue to be incidents of non-compliance. These include late or incorrect declarations; movement of tagged equipment without proper notification; lack of access to sites and rooms through the absence of keys; discrepancies between a site's own declarations and those submitted by the Directorate; interference by personnel of the Directorate in the progress of inspections; false replies by site personnel; site personnel departing sites before inspections could be completed; and sites providing two different directors general for the same site to different teams. In relative terms, such incidents are small in number but nevertheless have a derogatory effect on confidence in the system.

114. During the current reporting period, Iraq continued the development of the Al Samoud missile, which, according to its design, is capable of maximum ranges close to 150 kilometres, the limit permitted to Iraq for surface-to-surface missile systems under Security Council resolution 687 (1991). Iraq continued to use non-Iraqi made components, including some from imported Volga surface-to-air missiles, in its Al Samoud missiles.

115. On 26 November 1997, the Commission restated its position that the ongoing monitoring and verification plan did not allow for the use of certain components from surface-to-air missiles in non-proscribed surface-to-surface missiles as they could be used for the conversion of the surface-to-air missiles to surface-to-surface missiles of proscribed ranges. The issue of the use of the components of Volga missiles in the development of Al Samoud missiles was raised

by the Executive Chairman during his visit to Iraq in March 1998. The Iraqi side did not accept the Commission's contentions. Further consideration of these matters will take place. Iraq did not comply with the Commission's requests for technical information on the system, as noted in the annex to this report.

F. Export/import

116. During the reporting period, the joint unit of the Commission and IAEA has received notification of some 50 transactions involving the intended export to Iraq of items identified in the Commission's and IAEA's plans for ongoing monitoring and verification. The majority of these items are being provided to Iraq under the provisions of Security Council resolution 986 (1995) and related resolutions. The 18 months in which the system has been operating have proved illuminating in terms of the practical operation of the system. Of principal importance is the fact, as noted earlier, that significant additional resources would be required to implement current procedures fully. This has serious implications for the time when there is an easing or lifting of the sanctions and underscores the requirements for the review currently under way.

117. The level of cooperation from the Governments having jurisdiction over suppliers has generally been satisfactory, although there continues to be a lack of understanding about the reporting requirements and the items and materials upon which notification is required.

G. Concealment investigations

118. As already indicated in this report, Iraq has never fulfilled the primary obligation to provide complete and verifiable declarations in any of the weapons areas specified by resolution 687 (1991). Iraq has admitted that it had a policy of either total concealment or significant under-representation of its proscribed weapons and missile activities. In the cases of nuclear weaponization, biological weapons, VX nerve agent and indigenous ballistic missile production, Iraq began to disclose these programmes only after inspection teams uncovered proof of its undeclared activities.

119. Iraq has also claimed that in mid-1991 it unilaterally destroyed all of its concealed proscribed weapons, missile systems and documents. Because many of the specific claims about these purported unilateral destruction actions remain unproven, including the destruction events themselves, the Commission cannot positively verify that proscribed items, and documents relating to them, no longer exist in Iraq. In addition, information at the disposal of the Commission points towards the possible continued existence of such prohibited items.

120. As a result of those events, the Commission has developed, and continues to carry out, a system of mutually supporting investigations and on-site inspections designed to establish the absence of proscribed items and that dual-use items and materials are not being applied to proscribed purposes. The ongoing application of these verification procedures is intended to provide

confidence that all proscribed items and activities have been disclosed by Iraq and eliminated.

121. As part of the Commission's efforts to verify Iraq's declarations, specifically its assertion that it is now free of proscribed items and materials, the Commission maintains a capable sites and concealment investigation unit. The series of inspections mounted by this unit are based on data available to the Commission from a wide range of sources, including Iraq's documents, interviews, U2 imagery and previous inspection findings.

122. The official Iraqi position on this matter is that it ended its concealment efforts in late 1991, dismantling the concealment mechanisms, but that the late Lt.-Gen. Hussein Kamel continued, on a personal basis, some concealment activities until his departure from Iraq in 1995. In this regard, it is critical for the verification of Iraq's declarations that the Commission not only establish that active concealment efforts have ceased, but also that the mechanisms of concealment used by Iraq have been found to have been dismantled.

123. This issue remains a vexing and pertinent one, for the Commission has information that contradicts Iraq's statements. For example, in March 1998, the Commission discovered documents in Iraq, dated 1993, that reflect Iraq's concealment activities at that time involving the destruction, removal and safeguarding of documentation relating to proscribed activity in the field of ballistic missiles.

124. More importantly, the documents reflect, yet again, a systematic attempt by Iraq - not solely by an individual - to deceive the Commission, as late as 1993, regarding the true nature and extent of Iraq's proscribed missile programmes. The documents contradict current Iraqi declarations concerning its earlier concealment activities and underscore the importance of continued vigilance and activity on the part of the Commission on the issue of concealment.

IV. COMMENTS AND CONCLUSIONS

125. The period covered by this report has been one of intense activity in the relationship between Iraq and the Special Commission; in the Security Council's consideration of the question of Iraq; and in actions taken by the Secretary-General in fulfilment of his unique role in conjunction with the Charter's requirement that disputes be settled, wherever possible, by peaceful means.

126. Four developments deserve to be singled out as having been of major importance during the period covered by this report.

127. Firstly, while Iraq has claimed for some time that it no longer holds prohibited weapons or systems, this claim has perhaps never been voiced so categorically as in the period under review. That this claim has been made is perhaps not, in itself, remarkable, but the associated insistence by Iraq that it has already made available to the Commission all the materials and information it needs to verify its claim and that no more evidence would be made available by it is significant.

128. Secondly, in particular during the period of crisis, Iraq repeatedly failed to comply with the Council's requirements, especially those relating to immediate, unconditional and unrestricted access to relevant sites, documents and persons. It was therefore of major potential significance that the Secretary-General was able to obtain Iraq's promise, in the Memorandum of Understanding of 23 February, to comply henceforth with the Council's requirements.

129. Thirdly, there was a significant trend towards substituting consideration of issues of process for consideration of issues related to the destruction, removal or rendering harmless of Iraq's prohibited weapons and systems.

130. Fourthly, as is evident in the disarmament section of this report, a major consequence of the four-month crisis authored by Iraq has been that, in contrast with the prior reporting period, virtually no progress in verifying disarmament has been able to be reported. If this is what Iraq intended by the crisis, then, in large measure, it could be said to have been successful.

131. Iraq's heightened policy of disarmament by declaration, no matter how vigorously pursued or stridently voiced, cannot remove the need for verification as the key means through which the credibility of its claim can be established.

132. The Memorandum of Understanding contains a clear promise by Iraq of compliance with the resolutions and decisions of the Council and full cooperation with the Commission. It is thus a document of irreducible significance. If Iraq offers full and real cooperation, it will not find the Commission lacking in its willingness or ability to verify honestly, with a high degree of scientific and technical competence and with all possible dispatch, materials that would validate Iraq's claim and lead to a full accounting in all weapons areas.

133. The Commission is fully cognizant of the fact that all policy matters are the prerogative of the Security Council, including with respect to any judgement it might make on whether or not the obligations set forth in resolution 687 (1991) and the particular provisions of paragraph 22 of that resolution have been fulfilled.

134. The Commission is aware that the Council will want to be sure that any judgements it makes, in that context, are fully informed by the best scientific and technical advice available to it. The Commission will continue to strive to provide that advice and to fulfil, to the best of its ability, the mandate given to it by the Council.

Annex

Iraq's compliance with paragraphs 2 and 3 of Security Council resolution 1115 (1997)

1. In paragraph 4 of its resolution 1115 (1997) of 21 June 1997, the Security Council requested the Executive Chairman of the Special Commission to include in his consolidated progress reports under resolution 1051 (1996) an annex evaluating Iraq's compliance with paragraphs 2 and 3 of that resolution.

2. In its resolution 1134 (1997) of 23 October 1997, the Security Council also requested that the Chairman of the Special Commission include in all future reports prepared under resolution 1051 (1996) an annex evaluating Iraq's compliance with paragraphs 2 and 3 of resolution 1115 (1997).

3. In paragraph 2 of resolution 1115 (1997), the Security Council demands that Iraq cooperate fully with the Special Commission in accordance with the relevant resolutions and that the Government of Iraq allow the Special Commission inspection teams immediate, unconditional and unrestricted access to any and all areas, facilities, equipment, records and means of transport that they wish to inspect, in accordance with the mandate of the Commission since 1991.

4. In paragraph 3, the Council demands that the Government of Iraq give immediate, unconditional and unrestricted access to officials and other persons under the authority of the Government of Iraq whom the Special Commission wishes to interview so that the Commission may fully discharge its mandate.

5. In the paragraphs that follow, an account is given of events bearing on the implementation by Iraq of the foregoing obligations since the Commission's last report on 6 October 1997 (S/1997/774).

6. On 29 October 1997, the Deputy Prime Minister of Iraq wrote to the President of the Security Council (S/1997/829, annex) advising, inter alia, that as of 1.00 a.m. on 30 October 1997, no United States nationals would be allowed to participate in any UNSCOM activities in Iraq. All United States nationals were also required to leave Iraq within seven days of that date.

7. On 29 October 1997, the President of the Security Council made a statement on behalf of the Council in which the Council, inter alia, condemned Iraq's action and warned of the serious consequences of Iraq's failure to comply immediately and fully with its obligations under the relevant resolutions (S/PRST/1997/49).

8. Despite the Council's action, on 30 October, the Executive Chairman reported to the Council that three inspectors of United States nationality had been refused entry to Iraq that day (S/1997/830). This obstruction was subsequently repeated and represented a further violation by Iraq, over and above the intended violations described in the letter of 29 October from the Deputy Prime Minister to the President of the Council.

9. On 2 November, the Permanent Representative of Iraq to the United Nations wrote to the Executive Chairman concerning the Commission's high-altitude surveillance aircraft (S/1997/837, annex). The letter characterized the plane as a "US spy plane" and stated that its presence in Iraqi airspace could not be accepted and that the Executive Chairman would bear the responsibility for the consequences that would ensue from a decision to send the plane into Iraq.

10. On 3 November, the first day on which inspections were attempted following the Council's receipt of the Iraqi letter of 29 October 1997, a missile inspection team was told that their inspection could proceed but not with its personnel of United States nationality. Iraq's actions effectively blocked all inspection activities by the Commission. The President of the Council was advised of this blockage by the Executive Chairman (S/1997/837). This violation was repeated by Iraq on subsequent days.

11. On 5 November, the Executive Chairman advised the President of the Council that he had postponed the high-altitude surveillance aircraft mission scheduled for that week, in response to a request from the Secretary-General of the United Nations (S/1997/848). The Executive Chairman also wrote to the Government of Iraq announcing that the postponed flights would resume the following week. The Government of Iraq responded the following day, repeating the language used in the letter of 2 November (annex to S/1997/864 of 7 November).

12. On 5 November, the Executive Chairman also reported to the President of the Council that the Commission's inspection teams had again been blocked and that significant pieces of dual-capable equipment, subject to monitoring by the Commission's remote camera monitoring system, had been moved out of the view of the cameras. The movement of such equipment, without prior notification, is prohibited under the Commission's monitoring plan. The letter also reported that camera monitoring equipment had been tampered with (S/1997/851).

13. On 6 November, the Minister for Foreign Affairs of Iraq wrote to the President of the Council admitting, inter alia, that dual-capable items subject to monitoring had been removed from sites under monitoring (S/1997/855, annex).

14. In a statement to the press on 6 November, the President of the Council announced that the Security Council had stated, inter alia, that to interfere in any way in the ongoing monitoring was not in conformity with the relevant Council resolutions and hoped that any recurrence by Iraq would be avoided.

15. On 7 November, the Executive Chairman wrote to the President of the Security Council reporting that inspection teams had again been blocked, including a team whose task was to change cassettes on chemical air samplers (S/1997/864).

16. Following a flight over Iraq by the Commission's high-altitude surveillance aircraft, on 10 November, the Minister for Foreign Affairs of Iraq wrote to the Secretary-General noting, inter alia, that Iraq would act in regard to aircraft that violated Iraqi airspace in such a way as to safeguard Iraq's sovereignty and security (S/1997/867, annex).

17. On 12 November, the Security Council unanimously adopted resolution 1137 (1997), inter alia, condemning Iraq's continued violations of its obligations and demanded that Iraq rescind its decision of 29 October 1997 and cooperate fully and immediately with the Special Commission.

18. On 13 November, the Executive Chairman reported to the President of the Council that, in response to the adoption of resolution 1137 (1997), the Government of Iraq had sent a letter to the Commission's Baghdad Monitoring and Verification Centre announcing that all United States personnel working for the Special Commission would be required to leave Iraq immediately (S/1997/883). The Government of Iraq refused a request by the Commission to allow the personnel concerned to leave by aircraft the following day. Eight inspectors thus drove from Iraq overnight to Jordan. In view of the action taken by the Government of Iraq, the remainder of the Commission's and IAEA's inspectors were withdrawn on 14 December 1997.

19. The action taken by the Government of Iraq was condemned in a statement by the President of the Security Council on behalf of the Council, on 13 November, which, inter alia, demanded the immediate and unequivocal revocation of the action by the Government of Iraq (S/PRST/1997/51). The Government of Iraq, however, did not rescind its decision until 20 November, when, following on intensive diplomatic efforts, led by the Russian Federation, Iraq announced that the Revolutionary Command Council had decided to invite all inspectors back to Iraq (S/1997/908, annex).

20. On 26 November, the Executive Chairman wrote to the Government of Iraq seeking information concerning the items subject to monitoring that had been removed from their locations, in contravention of the Commission's monitoring plans. The Government of Iraq responded, on 28 November 1997, stating that the provision of such information was not necessary.

21. During an inspection on 26 November, it was found that cables supplying power to the camera monitoring system at an inspection site had been severed. Iraq's National Monitoring Directorate responded that it had been the work of a psychopath.

22. Within the framework of its efforts to improve monitoring of Iraq's missile activities, the Commission, in a letter dated 26 November 1996, requested Iraq to provide some additional technical data on its missiles and their major components, which were under development or production. As Iraq did not provide this data, the Executive Chairman, in a letter of 8 December 1997, stated that this failure was an instance of non-cooperation. He asked that Iraq rectify the situation without further delay. Up to the present, the Commission has not received the data sought.

23. On 3 December, the President of the Council issued a statement on behalf of the Council (S/PRST/1997/54) in which the Council, inter alia, reiterated its demand that Iraq fulfil all its obligations, as set out in all the relevant resolutions.

24. During the Executive Chairman's visit to Baghdad from 12 to 16 December 1997, he sought assurances from the Government of Iraq that it would

grant the Commission immediate, unconditional and unrestricted access to all sites. The Deputy Prime Minister responded that there were five categories of sites in Iraq. Those constituting "presidential and sovereign" sites would not be allowed to be inspected or overflown under any circumstances. He said he was aware that Iraq's exclusion of those sites might not be acceptable to the Council, but Iraq's position was absolute. This was reported to the Security Council by the Chairman on 17 December (S/1997/987).

25. During the UNSCOM inspection 218 on 22 December, representatives of the Government of Iraq violated the arrangements for the conduct of sensitive site inspections by failing to provide immediate access to a site, failing to prevent movement into and out of the site and failing to freeze the movement of personnel inside the site once the inspection team had begun its inspection.

26. On 22 December, the President of the Council made a statement on behalf of the Council (S/PRST/1997/56) concerning the Executive Chairman's report of his visit to Iraq. The statement noted that the Council, inter alia, stressed that failure by the Government of Iraq to provide the Commission with immediate unconditional access to any site or category of sites was unacceptable and a clear violation of the relevant resolutions. Iraq did not reverse its position.

27. On 12 January 1998, the Government of Iraq announced that, on the basis of the nationalities present on the UNSCOM 227 inspection team, the team would not be permitted to conduct any further inspection activity in Iraq. The decision was enacted the following day when no Government of Iraq representatives were provided to escort the inspection team and the inspection was therefore cancelled. In response, the action taken by the Government of Iraq was, inter alia, deplored by the Council in a presidential statement of 14 January 1998 (S/PRST/1998/1).

28. During the Executive Chairman's visit to Baghdad from 19 to 21 January, reported in his letter of 22 January 1998 (S/1998/58), the Government of Iraq did not agree to the Council's demand on access, instead proposing a three-month moratorium on any attempt by UNSCOM to visit presidential and sovereign sites. Iraq also rejected the Chairman's request that the Commission's fixed-wing aircraft be permitted to exercise the Commission's right to use airbases throughout Iraq, in particular Rasheed Airbase in Baghdad, where the Commission's helicopters are based. This issue had been raised with the Deputy Prime Minister of Iraq during the Chairman's visits in September and December and the need for the full exercise of this right was endorsed by the emergency session of the Special Commission in November 1997.

29. On 2 March, the Council adopted resolution 1154 (1998), which, inter alia, noted that, by its failure so far to comply with its relevant obligations, Iraq had delayed the moment when the Council could act in accordance with the relevant provisions of resolution 687 (1991) on the duration of the prohibitions referred to in that resolution.

30. From 5 to 12 March, UNSCOM 227, which had been previously cancelled owing to Iraq's non-cooperation, conducted a series of inspections of a number of sites. Several of the sites were declared by Iraq as sensitive, including the Ministry of Defence. On this occasion, UNSCOM 227 was allowed to inspect the

sites, applying the modalities for inspection of sensitive sites document, as amended by the Chairman after consultation with the Deputy Prime Minister of Iraq in December 1997. The Iraqi authorities gave the team full access to all those sites. The Chairman's appreciation of Iraq's cooperation was conveyed to the Iraqi side during his visit to Baghdad on 24 March 1998.

31. From 25 March to 4 April, a team from the Special Group established under the Memorandum of Understanding of 23 February 1998, composed of experts designated by the Chairman of the Commission and the Director General of IAEA, and senior diplomats designated by Mr. Jayantha Dhanapala, conducted a baseline survey of the eight presidential sites in Iraq. The Iraqi side provided full cooperation to the team, which conducted the survey without incident, with full access to all the buildings in the sites. The team was able to exercise all the rights accorded to the Commission and IAEA in the Security Council resolutions and the Agreement of May 1991 between the United Nations and Iraq.

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REPORT OF THE SECRETARY-GENERAL ON THE UNITED NATIONS OBSERVER MISSION IN ANGOLA

I. INTRODUCTION

1. The present report is submitted pursuant to Security Council resolution 1157 (1998) of 20 March 1998, in paragraph 8 of which the Council, inter alia, requested me to report by 17 April 1998 on the status of the implementation of the peace process, with recommendations regarding the modalities of the United Nations presence in Angola after 30 April 1998, including the exit strategy and expected termination date of the United Nations Observer Mission in Angola (MONUA). The report also contains my recommendations regarding the civilian police component as requested in paragraph 7 of the above-mentioned resolution.

II. POLITICAL ASPECTS

2. Since my last report to the Security Council, dated 13 March 1998 (S/1998/236), additional progress has been made in the implementation of the remaining tasks under the Lusaka Protocol (S/1994/1441, annex) outlined in the 12-point revised timetable approved by the Joint Commission on 6 March 1998. It should be noted that, while the deadline of 31 March 1998, set for the compliance by the parties with all their obligations, was not fully met, 11 out of the 12 pending tasks have been completed. The extension of State administration throughout the country is the only remaining task, while the disarmament of the civilian population is continuing.

3. As indicated in the above-mentioned report, following the declaration made by the União Nacional para a Independência Total de Angola (UNITA) on 6 March 1998 on the demilitarization of its forces, the Government of Angola announced on 11 March the legalization of UNITA as a political party. On 16 March, the Government appointed three governors and seven vice-governors nominated by UNITA, as envisaged in the Lusaka Protocol. At the same time, both parties agreed on a list of six ambassadors nominated by UNITA, who would be appointed by the Government of Angola as soon as positive replies were received from the Governments concerned. On 31 March, a law granting special status to Mr. Jonas Savimbi as the leader of the largest opposition party was promulgated.

4. On 1 April 1998, after many years of almost uninterrupted functioning, Radio Vorgan effectively ceased its broadcasts. However, while the Government and UNITA have shown some restraint in the dissemination of propaganda in the past few weeks, mostly under pressure from my Special Representative, Mr. Alioune Blondin Beye, and the representatives of the three observer States (Portugal, the Russian Federation and the United States of America), no significant progress has been made in the setting up of Radio Despertar, which would replace Radio Vorgan. Also on 1 April, a UNITA delegation, led by Vice-President General Antonio Sebastiao Dembo, arrived in Luanda to prepare for the establishment of UNITA headquarters in the capital. On 2 April, General Dembo met with President José Eduardo dos Santos, to whom he delivered a written message from Mr. Savimbi, the leader of UNITA.

5. My Special Representative, in collaboration with the representatives of the observer States, continued to play an important role in facilitating the implementation of the peace process. During the reporting period, Mr. Beye had several meetings with President dos Santos and Mr. Savimbi, with a view to accelerating the completion of the remaining tasks. Those consultations were instrumental in reaching a compromise on a number of highly sensitive issues, including the promulgation of the special status for Mr. Savimbi, as well as the agreement on the UNITA leader's security detachment. It will be recalled that, under a previous agreement, Mr. Savimbi's security detachment was to be gradually reduced over a period of nine months from 400 to 150 guards. During talks held in Andulo on 8 April between Mr. Savimbi and the government representatives to the Joint Commission, an additional agreement was reached by which 65 out of the 150 security guards would be stationed in Luanda and the remaining security personnel elsewhere in the country. In the meantime, on 10 April, the Angolan National Police (ANP) officially announced the formation of a 400-strong security detachment for Mr. Savimbi as part of the ANP structure.

6. At its sessions held on 27 and 30 March 1998, the Joint Commission recommended concrete measures to accelerate the implementation of the few pending tasks. While progress was achieved on several fronts, little progress has been registered regarding the extension of State administration. To date, central authority has been established in 269 localities out of the total of 335 envisaged. Moreover, only three of the eight strategic areas envisaged in the 6 March timetable were normalized. However, the Government and UNITA have agreed on a number of practical arrangements towards that end. Following additional consultations, it was agreed to proceed with the normalization of State administration in Mussende, Belo Horizonte, Gamba and Bimbe on 1 April. Thus far, normalization took place only in Mussende on 9 April. These developments helped to avoid a new crisis at the expiration of the 1 April deadline, by which time State administration should have been extended throughout the country.

7. As a result of the measures imposed by Security Council resolution 1127 (1997) of 28 August 1997, the number of aircraft landing in the UNITA-controlled areas in violation of the sanctions regime continued to decline. During the period under review, only a few aircraft landed in Andulo and Bailundo in March 1998. However, according to reports, UNITA may be diverting

some of the aircraft to other airstrips that are not monitored by MONUA on a daily basis.

8. During his visit to Angola from 21 to 29 March 1998, the Chairman of the Sanctions Committee established pursuant to Security Council resolution 864 (1993) of 15 September 1993, Mr. Njuguna M. Mahugu (Kenya) met with President dos Santos and Mr. Savimbi and urged both parties, but in particular UNITA, to complete without further delay all their pending tasks under the Lusaka Protocol and the relevant Council resolutions. Mr. Mahugu stressed to the UNITA leadership the determination of the Council to adopt additional measures, in case of non-compliance by UNITA with its obligations. At the same time, the Chairman of the Sanctions Committee called on the Government of Angola to exercise restraint and not to take steps that could jeopardize the peace process; he also appealed to both parties to show the necessary flexibility in achieving national reconciliation.

III. SECURITY SITUATION

9. The security situation in some areas of the country remains precarious. The continuing tensions are mostly the result of armed attacks, often targeting ANP and local government authorities in the countryside. During the period under review, numerous attacks on government posts and vehicles, as well as the abduction of personnel, were reported, resulting in many casualties. Often, those attacks were conducted by large groups of well-armed unidentified elements.

10. There were also two attacks on MONUA. On 24 March 1998, a MONUA helicopter was fired while transporting representatives of MONUA, the Government and UNITA to a ceremony for the re-installation of central administration in Cambundi-Catembo, Malange Province. This was the second time that such an incident occurred in the same province in less than two months. The second attack took place on 27 March at Chongoroi, Benguela Province, when the MONUA team site was shot at during a coordinated and massive attack on the town by an armed group, reportedly composed of UNITA elements. There were no MONUA casualties, but one Angolan was killed and three were injured, and MONUA vehicles were damaged. During its meeting on 31 March, the Joint Commission strongly condemned those attacks. The high level of insecurity seriously affects the activities of MONUA and those of humanitarian relief personnel. On several occasions, humanitarian personnel also fell victim to the dangerous security situation in the countryside.

11. Many of the localities where State administration has been extended are still not stable. As a result of threats of attacks made by UNITA militants, local government authorities had to flee some areas. At the same time, some UNITA representatives had to abandon their locations owing to harassment and threats from elements of ANP. On 28 March, serious clashes were reported between ANP and the local population in the Luau area (Moxico Province), which until recently was controlled by UNITA.

12. The most significant incident was an ambush on 19 March in the Ganda area, Benguela Province, during which 22 people were brutally murdered, including one

member of ANP. From mid-January 1998 to date, 24 personnel of ANP and the Angolan Armed Forces (FAA) have been killed in such incidents. About 20 ANP and FAA officers are also missing and presumed dead. These widespread anti-government activities show the emergence of a low-level insurgency in some parts of the country, which is likely to undermine government control unless the Government of Unity and National Reconciliation takes well-coordinated measures to enforce law and order in those areas.

IV. MILITARY ASPECTS

13. Despite the serious security conditions in some areas of the country, the overall military situation remained relatively calm. The military component of MONUA continued to investigate various violations of the ceasefire, conduct extensive patrols and provide security to United Nations personnel and facilities, including during the ceremonies of the installation of State administration. The presence of United Nations troops continues to be an important element of stability in several key areas of the country.

14. The military component of the Mission also continued to verify the implementation of the tasks set out in the 6 March timetable. Regarding the demobilization in situ, out of a total of 7,877 registered UNITA residual forces, only 7,714 were considered eligible for demobilization, of whom 6,435 have now been demobilized. The remaining 1,279 troops will be demobilized through a special procedure agreed upon by the Government and UNITA. The demobilization in situ has, therefore, been declared concluded. At the same time, out of a total of 218 high-ranking UNITA officers presented to MONUA, 115 were demobilized between 19 and 21 March 1998, while 20 were demobilized at a later stage. The remaining 73 officers are to be demobilized by FAA. Also, the registration of the 400 security guards of Mr. Savimbi has now been completed. Nevertheless, allegations persist, sometimes corroborated by deserters, of the existence of a large number of unregistered and undemobilized armed UNITA elements.

V. POLICE ASPECTS

15. The civilian police observers continued to perform the tasks described in my report of 13 March 1998 (S/1998/236, para. 18). They monitored the neutrality of ANP, especially in areas where State administration has recently been extended, as well as the security arrangements for UNITA leaders, and investigated allegations of human rights violations, in close collaboration with the Human Rights Division of MONUA. The civilian police observers verified the free circulation of people and goods, conducted frequent patrols and undertook numerous visits to prisons and detention centres.

16. In accordance with the 6 March timetable, the Government of Angola has resumed the disarmament of the civilian population. MONUA reported that those operations were carried out successfully in Luanda, Benguela and Huila Provinces. The Joint Commission, after reviewing the disarmament process on 27 March, called on the Government to proceed with a well-organized programme, which should be enhanced by adequate awareness activities and closer cooperation

with MONUA. Given the deteriorating security situation and the rise in banditry in several areas of the country, the collection of unauthorized weapons has become even more urgent than ever before. The Government should, therefore, embark on a massive recovery of weapons from the civilian population throughout the country, including in large urban areas. Those operations should also include the disarming of the members of the so-called civil defence corps. It would be important for MONUA to be involved closely in this process to help avoid abuses of power by ANP.

17. MONUA continues to believe that the training of ANP personnel in internationally accepted human rights standards and police procedures, which the civilian police observers have been striving to undertake, would be equally crucial. In this connection, the civilian police component of MONUA submitted to the Government of Angola a programme of training for ANP in internationally accepted police procedures and standards, including respect and protection of human rights. MONUA is awaiting a response from the Government. The training programme would particularly aim at providing ANP with adequate knowledge of internationally accepted criminal justice and human rights standards, as well as strengthening the training capacity of ANP with respect to those fields.

VI. HUMAN RIGHTS ASPECTS

18. The human rights component pursued its activities aimed at the promotion and protection of human rights both in Luanda and in the countryside; its presence has been established in 13 of the 18 Angola provinces. With regard to promotion activities, a monthly information bulletin on human rights, aimed at helping citizens understand their rights and obligations, was published and widely distributed among the population. In several politically important areas of the country, including in Bié, Uige and Huila Provinces, MONUA supported the efforts of the local human rights committees and visited several localities where central authority had been established, with a view to ensuring that the newly installed administrators respect the law and fundamental freedoms.

19. As regards protection activities, the special group of the Joint Commission continued to examine allegations concerning violations of individual human rights. As a result of the close cooperation between the human rights component and local authorities in several provinces, corrective measures were taken, aimed at limiting human rights abuses. This was the case especially in Bié and Cuando Cubango Provinces, where some UNITA sympathizers, who had been detained arbitrarily, were released.

20. The long-lasting conflict in Angola has had serious consequences on the state of the judicial system, whose efficient functioning remains an essential guarantee for the respect of human rights. The Government's efforts to improve the system, which have been actively supported by the United Nations since February 1997, led to the creation of the National Commission on Penal Reform. Recently, the Commission completed the elaboration of the general part of the draft penal code.

21. The strengthening of the human rights activities of MONUA depends largely on the support it receives from various United Nations bodies. From 3 to

7 April 1998, the Office of the United Nations High Commissioner for Human Rights conducted a special seminar at MONUA headquarters, aimed at training members of the human rights component in various activities and procedures, including in the fields of national capacity-building and human rights education and promotion, as well as verification and appraisal of reports, the role of the civilian police and other matters. In consultation with the Office of the United Nations High Commissioner for Human Rights, Mr. Nicolas Howen, a leading expert in the field of human rights, has been recruited as the head of the human rights component and is expected to join MONUA in early May.

VII. HUMANITARIAN ASPECTS

A. Relief and rehabilitation

22. The continued displacement of people and the presence in Angola of an extensive group of asylum seekers, as well as new mine-laying activities, continued to be a source of major concern to humanitarian organizations. It is estimated that almost 6,000 persons were displaced between November 1997 and March 1998, owing to acts of banditry and increased tensions in Benguela, Huila and Malange Provinces. Internally displaced persons continued to arrive at Ganda, Benguela Province, from the Chicuma/Casseque area, and to Matala, Huila Province, from the Kutenda/Cherequera area. Humanitarian organizations are preparing a joint mission, composed of representatives of the Humanitarian Assistance Coordination Unit, the Office of the United Nations High Commissioner for Refugees (UNHCR), the World Food Programme (WFP), MONUA and the Angolan Ministry of Social Assistance and Reintegration, to assess the situation and verify the alleged presence of over 600 Rwandan refugees in Lovua, Lunda Norte Province. Continued remining activities are hindering the movement of relief organizations and have caused the death of 13 persons and the injury of 23 civilians in Bié Province. The laying of new mines, mostly perpetrated by UNITA elements, has also been reported in Huambo, Malange, Benguela and Huila Provinces.

23. Those activities, as well as the continued harassment of humanitarian personnel in some UNITA-controlled areas, should be strongly condemned. The present security situation (see paras. 9-12 above) is raising serious doubts about whether the safety of humanitarian personnel can be guaranteed. It is worrisome that the murder on 23 October 1997 of two deminers of the Santa Barbara Foundation and four Angolan nationals, as well as the disappearance in December of a WFP driver in Bailundo, remain unsolved. In Malange Province, humanitarian operations are likely to be discontinued owing to the high level of insecurity resulting from attacks on United Nations staff and the civilian population.

24. In addition, there is serious concern that the current economic situation resulting from the sharp decline in world oil prices may have a negative impact on the government budget, severely affecting the allocation of funds for the social sectors, which in turn would delay socio-economic recovery. With regard to funding requirements for United Nations-sponsored projects, UNHCR will have to reduce its activities dramatically if no funds are received before the end of April 1998. Resources are also urgently required for non-food items, including

the transport fund managed by WFP. The International Organization for Migration and the United Nations Children's Fund also require immediate additional financial support to ensure the continuation of their programmes.

B. Demobilization and reintegration

25. During the reporting period, the United Nations completed all demobilization operations under its responsibility. Out of a total of 87,514 registered troops, 76,360 were eligible for demobilization. Of these, a total of 49,851 troops were demobilized between September 1996 and March 1998. In order to ensure that those who were not present at the demobilization locations have access to their entitlements after the conclusion of the United Nations demobilization operations, arrangements have been made to demobilize 26,509 former soldiers with the assistance of the Government's Institute for the Social Reintegration of Ex-Combatants and FAA. This procedure will take effect after the extension of State administration has been concluded nationwide and will last for approximately six months.

26. Since mid-February 1998, about 1,000 demobilized soldiers have been registered by the Counselling and Referral Service (SeCOR), showing increased awareness of the programme by the soldiers, as well as their interest in receiving support for social reintegration. By mid-March, a total of 26,300 soldiers out of the 49,851 demobilized had been registered by SeCOR. This programme has also trained special counselling staff, launched over 65 different quick impact projects, provided vocational training for 3,800 beneficiaries and distributed professional tool kits to 2,000 demobilized soldiers. A joint Government/United Nations Development Programme (UNDP) review of the status of the implementation of the reintegration programme was conducted in March 1998, and it identified several areas where improvements were necessary.

VIII. SOCIO-ECONOMIC ASPECTS

27. During the reporting period, there have been no significant changes in the key socio-economic indicators which could have improved the economic situation. The Government's medium-term programme (1998-2000) for economic recovery and stabilization was adopted by the National Assembly. The Government suggested that all donors use the programme as the framework for their assistance to Angola. The main elements of the programme include the liberalization of the economy, the promotion of economic growth and reduction of inflation, the reduction of unemployment and the improvement of the management of public finances.

28. The medium-term programme generated extensive debate in view of the expected impact of the sharp decline on the international price of oil. The government budget and the projections in the medium-term programme had been based on the assumption that the oil prices would be maintained at approximately $19 per barrel. Since petroleum production accounts for nearly 60 per cent of the gross domestic product and 94 per cent of the Government's revenue, any decline in oil prices could have a negative effect on economic growth and the Government's ability to sustain efforts towards economic reform.

29. Meanwhile, monthly inflation rates were 5.4 per cent in January 1998 and 3.1 per cent in February. In spite of the seemingly low rate of inflation, prices remained excessively high and the population had to make serious adjustments in their consumption patterns. The official exchange rate remained at 262,000 kwanza to the dollar and some stability was observed in the parallel exchange market. A joint Government/UNDP review of the Community Rehabilitation Programme, which was launched in Brussels in 1995, was conducted in March and the first part of April 1998, with a view to evaluating the progress made in the implementation of the programme.

IX. UNITED NATIONS PRESENCE AFTER 30 APRIL 1998

30. A recent assessment of the status of the Angolan peace process and of the conditions prevailing on the ground suggests that a significant United Nations involvement is still needed in the country in order to assist in the consolidation of peace, in building confidence and national reconciliation and in promoting socio-economic development. I have reviewed my proposals on the continued United Nations presence in Angola after 30 April 1998, as described in my reports dated 12 January (S/1998/17) and 13 March 1998 (S/1998/236), and I should like to reiterate my recommendation that MONUA continue, with the necessary adjustments, to carry out its activities on the basis of the mandate and organizational structure outlined in the above-mentioned reports.

31. Apart from the military component (see paras. 36-38 below), I believe that the other substantive components of MONUA should continue their operations until the end of 1998, albeit at a progressively reduced level after September/ October 1998. From the beginning of 1999, the activities of the United Nations would focus on the consolidation of national reconciliation, promotion of good governance, human rights and socio-economic recovery and development. Most of these activities would be carried out by United Nations programmes, funds and agencies operating in Angola. In due course, I shall submit my views on the involvement of the United Nations in the preparation and conduct of the next presidential elections, in accordance with the relevant provisions of the Lusaka Protocol.

A. Political and human rights aspects

32. Although progress has been made since the adoption of Security Council resolution 1157 (1998), there is still a need for United Nations mediation and good offices to promote national reconciliation, to conclude the implementation of the remaining provisions of the Lusaka Protocol and to assist in stabilizing the security situation in the country. In line with the recommendations contained in my report of 13 March 1998 (S/1998/236), my Special Representative would continue to provide his good offices and to chair the Joint Commission through 1998.

33. The political affairs and human rights components would remain deployed throughout the country. Political affairs officers would continue to assist in mediating disputes and in promoting national reconciliation, while human rights officers would foster respect for human rights and the rule of law and

investigate alleged violations, in collaboration with the civilian police observers. Their activities and total strength would remain at the present level until September/October 1998 when it would be my intention to begin gradually to readjust and downsize the political component. With regard to the human rights component, I intend to explore the possible transfer of operational responsibility for this component to the Office of the United Nations High Commissioner for Human Rights.

B. Civilian police component

34. Pursuant to paragraph 7 of Security Council resolution 1157 (1998), I have reviewed the modus operandi of the civilian police component of MONUA to assess whether its tasks could be performed on the basis of a more limited increase in the number of personnel or with a reconfiguration of existing personnel. Given the deteriorating security situation in several areas where State administration has recently been extended, the civilian police observers have been called upon, in conjunction with the military observers, to investigate an increasing number of attacks against government targets and acts of banditry. Accordingly, in order to promote confidence and stability, my Special Representative continues to believe that the number of civilian police sites should be increased from the current level of 46 sites to 51.

35. The deployment of 83 additional civilian police observers, as authorized by the Security Council in its resolution 1157 (1998), will enable MONUA to strengthen the present and new team sites and increase the number of daily patrols, as well as ensure prompt and effective verification and investigation. Equally, the increased strength of the civilian police will allow closer monitoring of the disarming of the civilian population by the ANP. Assistance in the training of ANP in internationally accepted standards will also require additional human resources. Therefore, I believe that the authorized increase in the number of civilian police observers is necessary for the effective discharge of the mandate of MONUA at this critical phase of the peace process. The deployment of these personnel is expected to take place in May and June 1998.

C. Military component

36. Pursuant to paragraph 6 of Security Council resolution 1157 (1998), MONUA has prepared a plan for a phased withdrawal, between late April and 1 July 1998, of 595 military personnel out of a total of 1,045 currently deployed in the mission area. This figure includes 450 infantry companies, 100 personnel of the logistics company and 45 military staff officers. The remaining 450 military personnel include one infantry company (150 in all ranks), which would be relocated to Luanda and would assume security duties, and 130 personnel of the helicopter unit, 40 members of the signals unit, 40 personnel of the field hospital and 90 military observers. In view of the crucial support tasks which are indispensable for the functioning of the whole Mission, it is planned to retain these remaining personnel in Angola until the end of 1998; their repatriation would depend on the final decision on the termination of MONUA.

37. In line with the proposals contained in my previous report (S/1998/236), the 90 military observers would be retained through September/October 1998 to monitor the completion of the residual military tasks, and, depending on the situation on the ground, would be repatriated thereafter.

38. While the Security Council, in its resolution 1157 (1998), clearly indicated that a further substantial reduction of the military component of MONUA should take place no later than 1 July 1998, the volatile situation in some areas of Angola (see paras. 9-12 above), strongly argues in favour of the retention in the country of a sufficient United Nations military force. Indeed, the serious risks involved in keeping a large number of unarmed military and civilian personnel scattered throughout a country larger than the territories of France, Spain and the United Kingdom of Great Britain and Northern Ireland combined, without adequate means of rapid evacuation or protection, should not be underestimated. Therefore, if the security situation in some parts of Angola remains unstable, I shall be compelled, as the drawdown of United Nations troops proceeds, to redeploy unarmed military and civilian personnel to more secure areas, and, if necessary, to repatriate them.

D. Humanitarian activities

39. The current insecurity in several parts of the country has hindered the implementation of humanitarian activities aimed at providing basic relief to the population and has discouraged the expansion of rehabilitation efforts. In the meantime, the humanitarian community in Luanda and the Inter-Agency Standing Committee are finalizing new arrangements for the coordination of humanitarian assistance in Angola. Meanwhile, United Nations programmes and agencies will retain an emergency response capacity and continue to implement medium-term activities in the areas of refugee return and resettlement of internally displaced persons, health and nutrition, agriculture and food security, mine awareness, and reintegration of demobilized war disabled and underage ex-soldiers.

40. The priorities for United Nations programmes and agencies and their partners are outlined in the common humanitarian strategy and included in the 1998 United Nations Inter-Agency Consolidated Appeal for Angola. The strategy highlights priority humanitarian assistance in support of the reintegration and resettlement of affected populations, meeting the emergency needs of communities and vulnerable groups, the extension of basic services and mine action activities, as well as strengthening the Government's capacity to coordinate and manage the humanitarian response.

X. FOLLOW-ON UNITED NATIONS ACTIVITIES AFTER THE TERMINATION OF THE MISSION

41. While the international community has already invested heavily in the establishment and maintenance of peace in Angola, I believe that, after the termination of MONUA it would be important for the United Nations to continue to assist the Angolan people in the consolidation of national reconciliation, good governance, democratic development and respect for human rights, as well as in

socio-economic recovery. The gradual transition from peacekeeping and emergency humanitarian intervention to the long-term objectives of peace-building and sustained development has already begun. This transition is being undertaken in close collaboration between the Government, MONUA and various United Nations programmes, funds and agencies operating in Angola, as well as the Bretton Woods institutions. This phase will be critical since, after many years of focusing exclusively on issues of survival, expectation will rise among the Angolan population who are eager to see a rapid improvement in living conditions and in the provision of public services.

42. Recognizing those concerns, the Government of Angola, supported by the donor community, has identified its national development objectives and priorities as follows: consolidation of peace and stability; rehabilitation of the economy and sustainable growth; alleviation of poverty; and employment and income generation. The United Nations programmes, funds and specialized agencies are gradually adjusting their assistance to cover those priority areas. In this regard, a United Nations strategy in support of Angola's transition from emergency to development has been prepared and approved by the heads of the United Nations programmes and agencies.

43. The United Nations system will also continue to assist Angola in mobilizing the necessary resources for humanitarian activities, as well as for peace consolidation and related activities, including those in the fields of demobilization and reintegration of ex-combatants and rehabilitation and resettlement of internally displaced persons, returnees and other vulnerable groups. Another important ongoing initiative is the Government's Community Rehabilitation Programme, which was launched in Brussels in September 1995. The United Nations is also assisting Angola in other areas, such as the provision of expertise in national capacity-building, including in the domain of economic management. Demining is also one of the important areas where the United Nations will continue to be active in Angola.

44. It is expected that all these programmes will continue after 1998 and beyond, as vital instruments in the consolidation of peace and the strengthening of long-term development. In view of the direct link between peace, good governance and development, United Nations assistance will also be required in the area of the promotion and respect of human rights and the rule of law. In close consultation with United Nations programmes and agencies, I intend to present to the Security Council in the second half of 1998 additional proposals about the modalities for pursuing these vital peace-consolidation activities after the termination of MONUA in the beginning of 1999.

XI. FINANCIAL ASPECTS

45. By resolution 52/8 B of 31 March 1998, the General Assembly appropriated a total amount of $175 million gross for the period from 1 July 1997 to 30 June 1998 to provide for the phased withdrawal of contingent personnel and the deployment of a military task force. The proposed budget for the maintenance of MONUA for the period from 1 July 1998 to 30 June 1999 has been submitted to the Assembly for consideration at its resumed fifty-second session.

The proposed budget amounts to some $140.8 million gross and is based on the maintenance of the current authorized strength of the Mission.

46. Therefore, should the Security Council decide to extend the mandate of MONUA, as recommended in paragraph 51 below, it is not anticipated that additional requirements will arise as a result of the deployment of 83 additional civilian police observers and the phased repatriation of 595 military personnel by 1 July 1998.

47. As at 31 March 1998, unpaid assessed contributions to the United Nations Angola Verification Mission (UNAVEM)/MONUA special account for the period since the inception of the Mission to 20 April 1998 amounted to $94 million. The total outstanding assessed contributions for all peacekeeping operations as at 31 March 1998 was $1,547 million.

XII. OBSERVATIONS

48. During the reporting period, significant progress has been achieved in the Angolan peace process. Although the remaining tasks under the Lusaka Protocol were not fully completed by the 31 March 1998 deadline agreed upon by the two parties, most of the tasks contained in the timetable have now been carried out. I welcome these important developments, which include the promulgation into law of the special status of Mr. Savimbi, the appointment of the governors and vice-governors nominated by UNITA, the return of some UNITA senior officials to Luanda and the termination of Radio Vorgan's broadcasts.

49. At the same time, I am concerned at the slow pace of the implementation of the extension of State administration, which should also have been completed by 31 March. Almost one year after the beginning of this process, there are still some 60 localities where central authority has not been established, including the UNITA strongholds of Andulo and Bailundo. I, therefore, urge both parties, in particular UNITA, to take all necessary measures to expedite and conclude this process by the end of April 1998. Further procrastination in this regard would not be acceptable. It is obvious that the conclusion of the peace process will depend on the full demobilization of UNITA, especially the absentees and the residual troops, which are still a cause of serious concern. Unregistered armed elements continue to be reported in some provinces, which does not enhance mutual trust.

50. While the improvement in the political climate is welcome, I regret that this positive trend has not resulted in an amelioration of the security situation in the country. The increase in armed attacks against ANP, local government authorities and innocent civilians, allegedly perpetrated by UNITA elements, as well as acts of banditry, are a source of particular concern. It is also deplorable that the security of MONUA personnel and property is seriously undermined in several areas of Angola and that UNITA continues to impose restrictions on United Nations activities in some of the regions still under its control. I must once again remind both parties that they are responsible for ensuring the safety and security of all United Nations personnel in Angola.

51. I remain convinced, as indicated in my report of 13 March 1998 (S/1998/236), of the need for the continued active involvement of the United Nations in Angola after the expiration of the present mandate of MONUA on 30 April. My proposals and recommendations concerning the future of the Mission and the gradual drawdown of its various components, including the exit strategy, are contained in paragraphs 30 to 40 of the present report. In the meantime, I recommend that the mandate of MONUA be extended for two months, until 30 June 1998.

52. In conclusion, I should like to pay tribute to my Special Representative and to all MONUA personnel, as well as to the staff of United Nations programmes, funds and agencies and non-governmental organizations for their commendable work under challenging conditions. I should like to express my appreciation to Maj.-Gen. Phillip Valerio Sibanda (Zimbabwe), who has served the Mission with great distinction and professionalism for more than two years and whose tour of duty expires on 30 April. I also wish to express my appreciation to the three observer States and their representatives in Angola and to all Member States concerned for their unfailing support to the Angolan peace process.

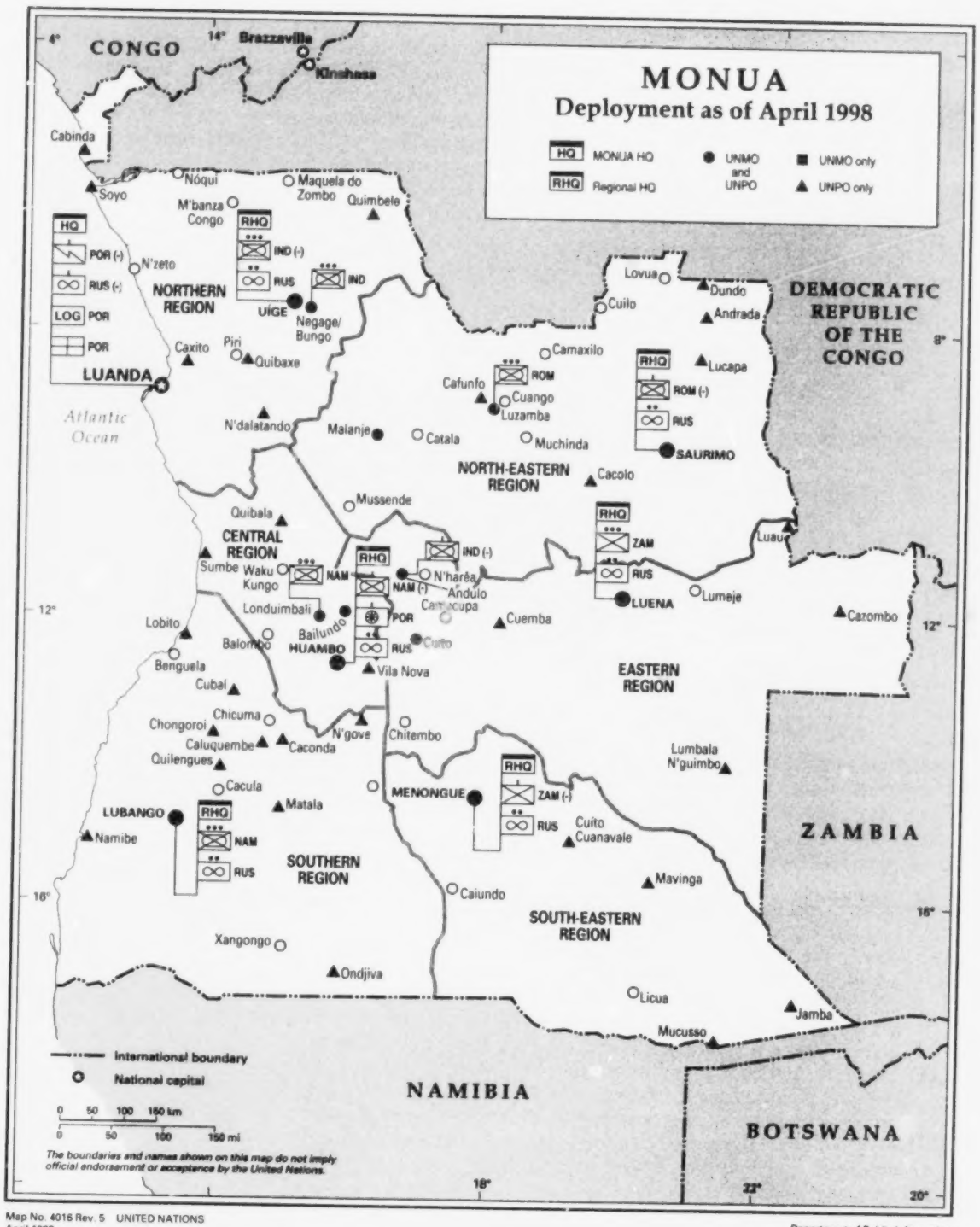
Annex

United Nations Observer Mission in Angola: contributions as at 10 April 1998

Country	Military observers	Civilian police observers	Staff officers[a]	Troops	Total
Bangladesh	3	22	3	-	28
Brazil	4	19	2	-	25
Bulgaria	3	19	-	-	22
Congo	3	-	-	-	3
Egypt	3	19	-	-	22
France	3	-	-	-	3
Guinea-Bissau	3	4	-	-	7
Hungary	3	8	-	-	11
India	5	22	8	149	184
Jordan	3	27	-	-	30
Kenya	3	-	2	-	5
Malaysia	3	24	-	-	27
Mali	3	18	-	-	21
Namibia	-	-	2	150	152
New Zealand	3	-	-	-	3
Nigeria	4	21	-	-	25
Norway	3	-	-	-	3
Pakistan	3	-	1[b]	-	4
Poland	4	-	-	-	4
Portugal	4	36	4	174	218
Romania	-	-	4	145	149
Russian Federation	3	-	3	130	136
Senegal	4	-	-	-	4
Slovakia	4	-	-	-	4
Sweden	3	20	-	-	23
Ukraine	3	5	1	-	9
United Republic of Tanzania	-	3	-	-	3
Uruguay	3	24	3	-	30
Zambia	3	24	8	149	184
Zimbabwe	4	21	5	-	30
Total	90	336	46	897	1 369

[a] Including military police.

[b] A military specialist in the Demining School.



Map No. 4016 Rev. 5 UNITED NATIONS
April 1998

Department of Public Information
Cartographic Section

UNITED NATIONS **S**

Security Council

Distr.
GENERAL

S/1998/334
17 April 1998
ENGLISH
ORIGINAL: ARABIC

LETTER DATED 17 APRIL 1998 FROM THE PERMANENT REPRESENTATIVE OF IRAQ TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

On instructions from my Government and with reference to our previous letters on the subject, the most recent of which was my letter dated 31 March 1998 addressed to you (S/1998/302) concerning the fact that officials and personnel of the Special Commission had violated their signed undertakings to the United Nations by making statements and disseminating information on the activities of the Special Commission, I should like to inform you, with the greatest regret, that these deleterious practices have not ceased. The most recent example is the statement made to The New York Times by the Deputy Executive Chairman of the Special Commission, Mr. Charles Duelfer, and published in its issue for 15 April 1998. It contains his evaluation of the results of the visits made to the presidential sites and a quotation from his report, which the Secretary-General had yet to transmit to the Security Council at the time the interview was published.

The fact that Mr. Duelfer informed the press of his views and of the substance of his report before informing the Security Council represents a violation of his signed undertaking to the United Nations (as reproduced in the annex to document S/1998/303), paragraph (c) of which reads as follows:

> "Unless specifically authorized by the Executive Chairman, I shall not accept speaking engagements or make statements to, or grant interviews with the press, radio, television or other agencies of public information during my assignment with UNSCOM;".

It also represents contempt for the Security Council on Mr. Duelfer's part and an action ultra vires, inasmuch as information was published in the press of which the Security Council had not been informed. At the same time, the Special Commission is a subsidiary organ of the Security Council and not an independent entity.

In my letter dated 31 March 1998 I stated that we had noted that, most regrettably, it is Special Commission officials and personnel from particular countries who are violating the undertakings they have given to respect the confidentiality of information in order to serve the political objectives of the States of which they are nationals. The recent statements made by Mr. Charles Duelfer, a United States national, confirm this fact and also

confirm the need for the United Nations to be more attentive to ensuring the impartiality of officials operating under its flag.

I should be grateful if you would have this letter circulated as a document of the Security Council.

(Signed) Nizar HAMDOON
Ambassador
Permanent Representative

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General Assembly
Security Council

Distr.
GENERAL

A/53/98
S/1998/335
20 April 1998

ORIGINAL: ENGLISH

GENERAL ASSEMBLY
Fifty-third session
Item 113 (b) of the preliminary list*
HUMAN RIGHTS QUESTIONS: HUMAN RIGHTS QUESTIONS, INCLUDING ALTERNATIVE APPROACHES FOR IMPROVING THE EFFECTIVE ENJOYMENT OF HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

SECURITY COUNCIL
Fifty-third year

Letter dated 17 April 1998 from the Chargé d'affaires a.i. of the Permanent Mission of Yugoslavia to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the statement of the Yugoslav Third Army and information concerning the protest of the Yugoslav Foreign Ministry to the Chargé d'affaires of the Albanian Embassy in Belgrade in connection with the recent incident on the Yugoslav-Albanian border (see annex).

I would be grateful if the present letter and its annex could be circulated as an official document of the General Assembly, under agenda item 113 (b), and of the Security Council.

(Signed) Vladislav JOVANOVIĆ
Chargé d'affaires a.i.

* A/53/50.

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ANNEX

TERRORISTS FROM ALBANIA ATTACK YUGOSLAV BORDER GUARDS

The Yugoslav Third Army said on Thursday that a group of armed men had attempted to cross from Albania into Yugoslavia earlier in the day, triggering an incident in which the group was broken up and their arms seized by the border guards.

"As the group attempted to cross the Yugoslav state border from the territory of the Republic of Albania, a border incident was provoked in which the Yugoslav Army guards sent the terrorist group running and seized a significant quantity of arms, munitions and other terrorist equipment which was being brought in on seven draught animals," the Third Army statement said.

The incident occurred at 2 a.m. on April 16, in the sector of the border in the Junicke Mountains, in the Djakovica municipality, when the terrorists, challenged by the border guards in crossing the border illegally, opened fire from automatic weapons.

The Yugoslav border guards returned fire and prevented the illegal entry, shattering the terrorist group, killing five of the animals and seizing more than 60 automatic rifles, 4 machine guns, 100 hand grenades, more than 10,000 rounds of ammunition for automatic weapons and a quantity of other terrorist equipment.

At the request of the Yugoslav side, a joint Yugoslav-Albanian Commission has visited the scene of this grave border incident perpetrated from the Albanian side of the border, and investigation into the incident is currently under way, the statement says.

YUGOSLAV FOREIGN MINISTRY PROTESTS BORDER INCIDENT TO ALBANIA

Yugoslav Foreign Ministry lodged a strong protest on Thursday evening to the Chargé d'Affaires of the Albanian Embassy in Belgrade Florian Nova regarding an attempt to commit an act of serious violation of the territorial integrity of the Federal Republic of Yugoslavia and an illegal crossing of the Yugoslav-Albanian border by a terrorist group carrying a large quantity of arms and ammunition.

The Chargé d'Affaires was told that such incidents could have serious consequences and that the Albanian side would solely be responsible for them.

Yugoslavia has frequently pointed to the need for taking appropriate steps by the Albanian authorities to prevent such grave incidents.

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Distr.
GENERAL

S/1998/336
20 April 1998

ORIGINAL: ENGLISH

LETTER DATED 17 APRIL 1998 FROM THE CHAIRMAN OF THE SECURITY COUNCIL COMMITTEE ESTABLISHED BY RESOLUTION 661 (1990) CONCERNING THE SITUATION BETWEEN IRAQ AND KUWAIT ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to transmit herewith, pursuant to paragraph 15 of Security Council resolution 1153 (1998) of 20 February 1998, the report of the Security Council Committee established by resolution 661 (1990) concerning the situation between Iraq and Kuwait (see annex). The report was adopted by the Committee on 17 April 1998.

(Signed) António MONTEIRO
Chairman
Security Council Committee established
by resolution 661 (1990) concerning the
situation between Iraq and Kuwait

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Annex

Report of the Security Council Committee established by resolution 661 (1990) concerning the situation between Iraq and Kuwait pursuant to paragraph 15 of resolution 1153 (1998)

1. The present report is submitted to the Security Council pursuant to paragraph 15 of its resolution 1153 (1998) of 20 February 1998, by which the Committee is requested:

(a) To implement the measures and take action on the steps referred to in its report of 30 January 1998 (S/1998/92) with regard to the refining and clarifying of its working procedures;

(b) To consider the relevant observations and recommendations referred to in the report of the Secretary-General of 1 February 1998 (S/1998/90), in particular with a view to reducing to the extent possible the delay between the export of petroleum and petroleum products from Iraq and the supply of goods to Iraq in accordance with that resolution;

(c) To report to the Council by 31 March 1998 and thereafter to continue to review its procedures whenever necessary.

2. Since the submission to the Council of its report on 30 January, the Committee and its secretariat have been working, in close coordination with the Office of the Iraq Programme and the Treasury, to implement within its competence all adopted measures contained in paragraph 4, sections (a) and (b), of the report. The Committee is able to report today that the measures stipulated in paragraph 4 (a) (i), (ii) and 4 (b) (ii), (iii), (iv), (v), (vii), (viii), (ix), (xi) and (xii) have been implemented in full. Particularly noteworthy are the following: an orientation session was held on 19 March with the participation of more than 30 Member States and interested international organizations; a comprehensive information kit of relevant documentation was provided to participants; applications are being processed within two business days and approval letters are being issued on the basis of anticipated revenues and released on confirmation that funds are available; the validity of approval letters is extended as provided in the report, and the circulation of weekly reports on the status of applications has become standard practice. The Committee has also included a reminder in its approval letters to the exporters regarding the timely execution of approved contracts and has made that recommendation in the form of a press release to all States engaged in the export of humanitarian goods to Iraq.

3. As regards other measures referred to in paragraph 4 (a) and (b), the situation is as follows: further efforts need to be made with respect to the prioritization of applications referred to in paragraph 4 (b) (i). Regarding the grouping of contracts referred to in paragraph 4 (b) (vi), the secretariat is ready to explore ways of implementing this measure together with the Iraqi authorities. Different options for the prompt issuing and signature of approved letters are being considered by the Chairman in cooperation with the secretariat

as referred to in paragraph 4 (b) (xiii). When an application is blocked or put on hold, the relevant permanent mission is so informed in writing by the secretariat within 24 hours, including the reasons provided to the secretariat. The Committee recalls that those explanations, notably those related to dual use or to other grounds pertaining to non-conformity with the distribution plan, should be reviewed by the Committee periodically in order to ascertain whether any action could be taken to prevent similar situations.

4. Under paragraph 4 (d) of the report, the Committee is required to consider further means to improve the efficiency of the implementation of resolution 986 (1995) of 14 April 1995 and subsequent resolutions related to it. Specifically, the Committee will take action on measures referred to in paragraph 4 (d) (i), (ii), (iii) and (iv). In this regard:

(a) Pursuant to paragraph 4 (d) (i), the Committee has adopted guidelines and points of understanding on simplified procedures to approve applications for foodstuffs (see appendix);

(b) The Executive Director of the Iraq Programme informed the Committee on 20 March that the suggestions contained in paragraph 4 (d) (ii) of the report would be implemented effective 30 March. Since that date, reports on the status of applications have been made available to all Committee members and other States, upon request, by electronic means;

(c) The Committee received, on 14 March 1998, a report by the Treasurer of the United Nations pursuant to paragraph 4 (d) (iii) concerning the streamlining of all aspects of the procedures regarding the opening of letters of credit by the Banque Nationale de Paris (BNP). On the processing side, the report notes that these refined procedures of the Committee will accelerate the issuance of letters of credit. The report welcomes the posting in New York of a representative of the Central Bank of Iraq with a view to expediting the resolution of discrepancies. On the credit issue, the report notes that attention has been given to suggestions made by the Committee that the issuance process could be accelerated, in theory, if letters of credit could be issued before the necessary cash collateral is available in the United Nations Iraq Account. This concept has been researched. According to the report, no banking institution is willing to take the risk associated with such an extension of credit because of prevailing commercial and legal constraints. The Treasurer will continue to pursue practical options for streamlining the issuance of letters of credit by BNP so as to hasten the delivery of humanitarian supplies to Iraq;

(d) On the issue of reimbursement of the 53 per cent account from the 13 per cent account for joint purchases referred to in paragraph 4 (d) (iv) of the Committee's report, the secretariat is currently in the process of finalizing the necessary review and recommendations, which will soon be presented to the Committee for its consideration.

5. Pursuant to paragraph 15 of resolution 1153 (1998), the Committee considered the relevant observations and recommendations contained in the report of the Secretary-General of 1 February with a view to expediting the approval process and contributing further to the timely arrival of humanitarian supplies

in Iraq. Most of the measures recommended by the Secretary-General in paragraph 58 of his report are similar to those regarding the refined working procedures of the Committee contained in its report of 30 January. With regard to measures referred to in paragraph 58 (b) of the report of the Secretary-General that require additional consideration on its part, the Committee will continue its work in that respect.

6. The Committee will continue to review the implementation of the measures discussed in its report of 30 January and further refine its working procedures as necessary in the light of the actual needs and requirements in order to enhance further its efficiency in the implementation of resolution 986 (1995) and all other relevant resolutions.

Appendix

Guidelines and points of understanding on simplified procedures to approve applications for foodstuffs

1. The Committee will select, upon recommendation by the secretariat, a number of technical experts within the Office of the Iraq Programme upon whom the Committee will confer the authority to determine whether applications for foodstuffs are in order under these guidelines and points of understanding and to submit them for approval to the Chairman of the Committee in accordance with the conditions set out in paragraph 5 below.

2. An application for foodstuffs will be reviewed by two of the secretariat's technical experts on behalf of the Committee to determine whether the contract meets all criteria established by the Committee.

3. No technical expert shall review an application submitted by the permanent mission of the State of nationality of that expert.

4. The technical experts will examine and assess each application for foodstuffs on a case-by-case basis. The order of consideration by the experts will conform, where applicable, to priorities reflected in resolution 1153 (1998) of 20 February 1998 and in paragraph 4 (b) (i) of document S/1998/92.

5. An application for foodstuffs will be considered eligible for payment from the United Nations Iraq Account, subject to the availability of funds, on the date that the Chairman of the Committee signs a letter of approval following determination by the technical experts that such application meets the following conditions:

(a) The application complies with all relevant Security Council resolutions and the established rules and procedures of the Committee, as well as the guidelines and points of understanding contained herein or as amended by the Committee;

(b) The application is in full compliance with the approved distribution plan and its annexes, in terms of both quality and quantity;

(c) The price for each foodstuff quoted in the application falls within the range of the pricing mechanism approved by the Committee pursuant to paragraph 6 below;

(d) The technical experts have no reason to determine that it would be advisable to submit the application to the Committee according to the standard approval procedure, such as a deviation from normal commercial practice as reported by the independent inspection agents.

6. The Government of Iraq shall submit a pricing mechanism for the procurement of foodstuffs listed in the annexes to the distribution plan for review by the Committee. The technical experts will assess the pricing mechanism, in

particular whether it reflects fair market value, and will provide analysis and recommendations to the Committee. The Committee will take a decision on the pricing mechanism according to its no-objection procedure within two business days. Adjustments to the pricing mechanism may be submitted by the technical experts for review by the Committee as appropriate. The approved pricing mechanism will remain in effect until the new one is approved by the Committee.

7. Should it be determined by the technical experts that an application for foodstuffs does not conform to these guidelines and points of understanding, the secretariat will immediately submit such application, together with its findings, to the Committee for its consideration.

8. On a weekly basis the secretariat will submit a comprehensive report to the Committee on the applications for foodstuffs that have been examined and assessed by the secretariat's technical experts.

9. A copy of the contract of each application for which a letter of approval is submitted by the secretariat to the Chairman for signature will be circulated to the members of the Committee for information upon request.

10. The Committee will review these guidelines and points of understanding as necessary and amend them as appropriate.

11. Any Committee member may call for an urgent meeting of the Committee to consider revising or revoking these guidelines and points of understanding. Pending a decision by the Committee, the authority conferred upon the secretariat for foodstuff applications will be suspended and standard procedures will apply.

12. These guidelines and points of understanding will come into effect on the day on which the Secretary-General reports to the Security Council pursuant to paragraph 5 of its resolution 1153 (1998).

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NOTE VERBALE DATED 14 APRIL 1998 FROM THE PERMANENT REPRESENTATIVE OF THE PHILIPPINES TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

The Permanent Representative of the Republic of the Philippines to the United Nations presents his compliments to the Secretary-General and with reference to Security Council resolutions 1054 (1996) of 26 April 1996 and 1070 (1996) of 16 August 1996 has the honour to inform him that the Government of the Republic of the Philippines has taken the necessary steps to implement the relevant provisions of the aforesaid resolutions.

Such steps have included the restriction of travel of officials of the Government of Sudan and the prohibition of flights of Sudanese aircraft into or over Philippine territory. For the information of the Secretary-General, Sudan has established neither a diplomatic nor a consular office in the Philippines.

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